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THE WORLDONOMICS TIMES

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Alankrit Society A 31, Plot A1, Vishwas Nagar Delhi 110032
Head Office
International Navodaya Chamber Of Commerce
30/26A, Street No. 9, Vishwas Nagar, Delhi 110032

Tel: +91 11 69313774

Email Us
For Editorial support
support@incoc.in
For Circulation, sponsorship and inquiry
info@incoc.in

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Empowering Global Economic Insight: Introducing The Worldonomics Times

In an era where the tapestry of global finance and economics interweaves with the complex dynamics of markets worldwide, there emerges a beacon of insight, The Worldonomics Times. Announced by the International Navodaya Chamber of Commerce (INCOC) on 26-03-2024, this forthcoming monthly magazine is poised to be an indispensable resource for anyone keen on understanding the pulsating heartbeat of the global economy.

Scheduled to release its premiere issue on May 5th, 2024, The Worldonomics Times aims to fill a crucial gap in the landscape of financial journalism. With a commitment to providing in-depth coverage of global finance and economics trends, news, and analysis, this publication is tailored for business leaders, policymakers, and the intellectually curious who strive for a deeper understanding of the world's economic currents.

Global Perspective with Local Relevance

At its core, The Worldonomics Times will offer a global perspective that bridges diverse markets and economies. This isn't just about tracing the flow of capital across continents; it's about understanding how these financial streams affect businesses and policies on a local level. Sandeep Kumar, the founder of the International Navodaya Chamber of Commerce and Editor-in-Chief of the magazine, emphasizes the platform's role in exploring emerging trends and the forces sculpting world markets.

In-Depth, Data-Driven Journalism

What sets The Worldonomics Times apart is its commitment to investigative journalism that digs beneath the surface. This magazine will go beyond the headlines to uncover the underlying stories that drive financial shifts, offering clarity in an ever-complex world. Coupled with expert opinions, interviews, and thought leadership from noted economists and financial specialists, readers are promised a comprehensive outlook on the global economic scene.

Moreover, with a focus on data-driven insights, the magazine will utilize visualizations and infographics to demystify complex economic trends and statistics, making the information accessible and digestible to its readership.

Sandeep Kumar

EDITOR-IN-CHIEF

Worldonomics Times

Accessibility and Empowerment

Understanding the importance of adaptability in today's fast-paced world, The Worldonomics Times will be accessible in both print and digital formats. This dual availability ensures that readers can engage with the content in a manner that best suits their lifestyles, whether at home, in the office, or on the move.

"We are committed to delivering accurate, unbiased, and high-quality journalism focused on the world of finance and economics," Kumar states. "Our goal is to empower readers with the knowledge they need to make informed decisions in an increasingly dynamic global landscape."

As we anticipate the release of The Worldonomics Times' premiere issue, it’s clear that this magazine is on a mission to enlighten and inform. Through its rigorous analysis, expert commentary, and commitment to excellence in journalism, The Worldonomics Times is set to become a guiding light for anyone looking to navigate the intricate world of global finance and economics.

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Blessing Support

CMA M Nagaraj
Director (Corporate Planning)
HUDCO

Dear Shri Sandeep Kumar,

Congratulations on the upcoming launch of **The Worldonomics Times** on May 5th! This marks a significant beginning in global finance and economics journalism. As global interconnectivity increases, your magazine will serve as a vital resource, providing expert insights into complex economic issues.
I am confident that The Worldonomics Times will become an essential resource for policymakers, professionals, academics, and those interested in global finance and economics. Your commitment to high-quality, well-researched content will undoubtedly set new industry standards.

I look forward to the inaugural issue and the perspectives it will introduce to economic discourse. Congratulations once again on this notable achievement, and best wishes for a successful launch and future.
Best regards

CMA Sanjay Jindal
Director Finance,
Engineers India Limited

Dear Mr. Sandeep Kumar,

With the launch of **The Worldonomics Times**, professionals worldwide are poised to embark on a journey of enlightenment and empowerment. In today's fast-paced economic landscape, the need for up-to-date insights and innovative strategies is more crucial than ever. As Director (Finance), I recognize the significance of continuous learning and informed decision-making. This magazine promises to be a comprehensive resource, offering valuable insights and actionable strategies to navigate the challenges and opportunities ahead.
The Worldonomics Times is not just a publication; it's a beacon of innovation in economic discourse. Through cutting-edge analysis, thought-provoking articles, and expert commentary, it will serve as a trusted companion for professionals across various sectors. Leveraging the latest technologies, the magazine ensures accessibility and engagement for all readers, regardless of background or expertise.
Beyond economics, **The Worldonomics Times** will explore intersections of finance with technology, sustainability, and social responsibility. By fostering dialogue and collaboration across diverse fields, it will inspire innovative solutions to global challenges.
I am proud to be associated with this initiative, and I extend my deepest gratitude to the editorial team, contributors, partners, and supporters who have worked tirelessly to bring this vision to life.
I offer my sincerest blessings to all those who will embark on this journey of enlightenment and empowerment, fueling innovation and success in the ever-evolving world of economics. Impressive Initiative!
Best Wishes to you and your team for resounding success on this fantastic effort.

CMA Rajesh Kumar Dwivedi
Director (Finance)
Heavy Engineering Corporation Ltd.

Dear Shri Sandeep Kumar,

I take this opportunity to heartily congratulate you on publishing **“The Worldonomics Times”**, which I really feel is a hands-on treasure of useful information.
Today's world is rapidly changing and inter-woven with diverse complexities. In such a global environment, authentic and timely information is a powerful tool which I am sure will always be provided by **“The Worldonomics Times”.**
I am sure the adage that “The Pen is mightier than the Sword” will be once again proven right with your magazine.

Congratulations, once again and my best wishes for this wonderful knowledge endeavor!

CMA Hrishikesh Kumar
Executive Director(Finance)
NBCC (India) Limited

Dear Shri Sandeep Kumar,

At the outset I would like to congratulate you for taking the initiative for publishing this magazine **“The Worldonomics Times”.** In this era of rapid changing economic environment vis-à-vis the pressure on business to sustain, the importance of seamless transfer of information and knowledge cannot be underestimated which I hope would be fulfilled by your magazine in future.I must say this is a great initiative by you and your team in this regard.

All the best for your endeavor

CMA Yogendra Prasad Shukla
Director Finance
HOCL - Hindustan Organic Chemicals Limited

Dear CMA Sandeep Kumar Ji,

I extend my heartfelt congratulations on the launch of "**The Worldonomics Times.**" Your dedication to providing a platform for insightful economic knowledge is truly commendable. In today's-paced economic, the significance of facilitating the smooth flow of information and wisdom cannot be overstated, and I am confident that your magazine will excel in meeting this crucial need. Your initiative, alongside your team, is truly praiseworthy, and I foresee great success for "The Worldonomics Times" in the days ahead. Your commitment to empowering minds through economic understanding is inspiring.

Best regards

CMA Gaurang Dixit

Former Chairman-cum-Managing Director
NSIC - National Small Industries Corporation

Dear Shri Sandeep Kumar,

At the onset, I applaud the initiative of the **'International Navodaya Chamber of Commerce'** to come out with a magazine **'The Worldonomics Times',** which will provide the relevant information and knowledge to the all in this diverse global market. In the present complex business / economic scenario, the whole world market is like a field open for all players to play thereon. This global market is having abundant opportunities and to become a successful entrepreneur in such complex economic environment, the need for having relevant information and knowledge is of paramount significance. Your endeavour to come out with the magazine **'The Worldonomics Times'** will certainly help to suffice this requirement.
I must congratulate to you and your team for this endeavour.
With best wishes.

CMA Vijay Kumar Agarwal

GM (Finance)
ONGC Videsh

Dear Shri Sandeep Ji,

It's my great pleasure to note **"The Worldonomics Times"** monthly magazine launching by **"International Navodaya Chamber of Commerce (INCOC).** The various Global Perspectives with relevant data have been covered which are relevant from our local perspective. The contents of magazine in coming days will be way forward in knowledge enhancement as well as for better understanding in correlating the global economics with local need.

Congratulations CMA Sandeep ji & Team for such an initiative which will surely provide the tailored world economic information.

Shri BK Sabharwal

Chairman, Capital and Commodity Market Committee, PHDCCI
Ex-President CPAI, Ex-chairman FISE, Ex-Director, Delhi Stock Exchange

Dear Sandeep Kumar,

Congratulations on the launch of **The Worldonomics Times!** Your dedication to global finance journalism is commendable. This milestone marks the beginning of an insightful journey. In our interconnected world, timely updates on regulatory changes are vital, and your magazine promises to fulfill this need. Dedicated to providing expert insights and periodic updates, it aims to become a key resource for policymakers, industry professionals, and academics. Your leadership in this initiative is inspiring. Here's to a successful launch and a prosperous future ahead.

Best regards

Shri Jyoti Prakash Gadia
Managing Director
Resurgent India Limited

Dear Sandeep Ji

Congratulations on the launch of The Worldonomics Times! This new publication promises to be a vital resource in financial journalism and stands to reshape our grasp of global financial landscapes. **The Worldonomics Times** will undoubtedly be an indispensable source for thorough analyses, covering the nuanced intersections of global economics and market dynamics. Your magazine is uniquely positioned to serve the needs of business leaders, policymakers, and those with a keen interest in the complexities of global finance. We eagerly await the fresh perspectives and insights that The Worldonomics Times will bring to the complex world of global finance.
Best wishes for your journey ahead!

CMA Yash Paul Bhola
Ex-Director (Finance), NFL.
President (Hon.) INCOC

Dear INCOC Team Members,

I congratulate and appreciate the efforts by one and all in bringing out Global Finance and Economics Magazine, **"The Worldonomics Times"**. This milestone marks the beginning of an exciting journey in the realm of global finance and economics journalism.

As our world becomes increasingly interconnected, and regulatory framework is fast getting changed and updated, the need for a comprehensive magazine in finance field cannot be over emphasised. This magazine is dedicated to providing a platform for periodical up-dation of the developments across the globe and experts to share their insights. It is intended to establish itself as a key resource for policymakers, industry professionals, academics, and anyone with a keen interest in understanding global finance and economics. Once again, I congratulate and wish you all the best for a successful launch of the magazine and a prosperous future ahead.

CMA Ramesh Kumar
Chief General Manager
POWERGRID Corporation of India Ltd.

Dear Shri Sandeep Kumar,

With great pleasure we extend our good wishes on the launch of **The Worldonomics Times**. This publication is poised to become a cornerstone in the landscape of global finance and economics, offering deep insights and valuable perspectives. Your commitment to excellence in disseminating knowledge is not only commendable but vital in these complex economic times. We eagerly anticipate the success and influence your magazine will undoubtedly achieve.

Warm regards

CMA R C Gupta
EX Executive Director (Finance & Accounts)
GAIL (India) Ltd.

Dear Shri Sandeep Ji,

I have gone through the May 2024 issue of The Worldonomics Times and found it very informative. My heartfelt congratulations on the launch of a world class magazine in the area of Cost Management, Financial Management, Financial Planning, Taxation and World Economic Affairs. The coverage in the magazine is very wide & excellent and is based on the theme of Global Perspective with Local Relevance, in-depth data driven journalism and accessibility of the magazine in print as well as digital formats. It will empower the readers with well researched articles for ready reference, decision making & knowledge enhancement.

I wish all the best to you and your team of International Navodaya Chamber of Commerce (INCOC) for bringing the magazine on regular basis with full of information of world economic affairs for use by all professionals.

With Best regards,

"2024" : THE YEAR OF GLOBAL IMBALANCES

"From 2020 Covid pandemic times to 2022 Invasion of Ukraine by Russia to 2023 Israel Hamas attack - challenges have been persistent to global economic growth. 2024 is no different year for uncertainties and volatility. With Middle East war crisis raging again, the risk of Inflationary pressure persist amid higher oil prices, which could lead to a delay in Interest rate cuts. Besides the geopolitical risks, the risk of shallower economic growth ahead is furthering the cause of "Risk Aversion Sentiments across Markets"

The current and the past...

It has been three years since the start of the pandemic, and the world has been through a series of unexpected and hugely impactful disruptions including Russia-Ukraine war, Israel Hamas attack, Red sea crisis, taking a toss. These instances gave birth to demand supply and trade disruptions, a serious shortage of labour in many countries, leading to rise in inflation which in turn created hawkish sentiments over the world's central bankers. Over the past year alone, we saw the biggest surge in inflation in 40 years, a very rapid tightening of monetary policy, significantly increased risk of recession.

As we move ahead, major central banks appear on the verge of loosening monetary policy, confident that inflation is largely beaten. The Russia-Ukraine conflict continues, there is a new war and crisis in the Middle East, tensions between the world's two largest economies remain significant, and patterns of trade and cross-border investment are shifting. The current state of the economy has created questions about some of the standard paradigms such as inflation, interest rate and labour markets. But the final outcome is still to come, and the immediate risks to the economy cannot be foreseen.

Global monetary policy easing cycle is likely to get delayed as the growth and inflation dynamics in US has once again bolstered the case for higher for longer rates. In India as well, the room for rate cuts in Q1FY25 looks limited as domestic growth continues to remain on a strong footing. Both manufacturing and services PMI inched up further in Mar'24. Export growth too has shown revival. Geopolitical tensions are rising, growth in key US economic partners is slowing, and Congress has added budget-funding volatility into the mix.

Having said that, let's now take a closer look at the individual macro-economic aspects, each of which plays a crucial role in shaping the World financial markets.

Countries across the globe are focusing on targeted inflation, rather been concerns for economic growth

Central banks main aim to bring back inflation to target of 2% is now more focused rather than economic growth. Although Inflation is falling, but it's not completely back to target levels. Although Fed officials are beginning to discuss rate reductions, if inflation remains above target, they might tighten monetary policy further. Geopolitics continues to create new challenges for US policymakers. Supply shocks—particularly oil price related might also derail the US economy. What the US central bank does, or doesn't do, not only influences economic and financial conditions in the US, but also has an impact around the world. As investors change their expectations for Fed policy, the calculations of other central banks and of investors in other countries shift accordingly. If US interest rates remain high longer than previously expected, this puts upward pressure on the value of the dollar.

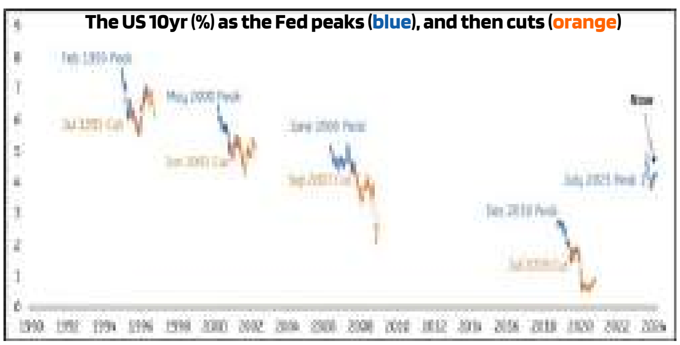
Rates chokehold on economies are set to loosen, but at ease

Countries	US Federal Reserve	European Central Bank (ECB)	Bank of Japan (BoJ)	Bank of England (BoE)	People's Bank of China (PBoC)	Reserve Bank of India (RBI)
Current Interest Rate	5.5%	4%	0.1%	5.25%	1 Yr mid-term lending rate: 2.5%	6.5%
Market Pricing	< 50 bps in total 2024	86 bps cut in 2024	22 bps tightening (hike) for 2024	50 bps cut in total 2024	Nearly 10 bps by 2024	[illegible] cuts by [illegible]
Tentative Speculation of 1st Cut	50% Chance 1st cut in July September most likely	25 bps in June near certainty	Split between 10 bps increase in July & another by October	25 bps cut in August	10 bps in 2Q	25-50 bps in August

The high tide of elevated and inflated Global interest rates has passed, but short relief for the world economy may be limited as policymakers stay wary at the threat of inflation. The decline of inflation in 2024 should be much more gradual than in 2023, as inflation is close to—but not quite at—target in most developed market economies. Premature easing could see new inflation surprises that may even necessitate a further bout of monetary tightening. On the other side, delaying too long could pour cold water on economic activity. Central banks navigate tricky path from rate hikes to cuts. Goldilocks dilemma: If they are too easy with monetary policy, inflation could come roaring back; but if they keep policy too tight, it could trigger a recession.

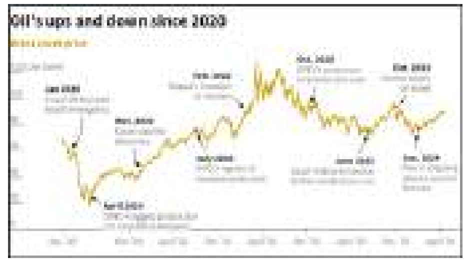
Yield on 10-year bonds edges back toward highs for the year – Let's understand the typical rate cycle vs the current

Bonds tend to do well after rates peak as investors seek to get ahead of the coming wave of central bank easing, which helps explain the strong rally in late 2023. As we're approaching the first rate cut, with the Fed and the European Central Bank expected to move in June and the Bank of England soon after, bond prices should rise further. In previous cycles, the 10yr yield typically managed to fall, appreciably (blue line in chart). History shows that when the Fed cuts for the first time, market rates have tended to pop higher for a bit. But ultimately as the Fed continues to cut, the 10-year yield follows through with further falls, and finds a new bottom. In the current cycle, the 10yr yield has in fact risen post the peak, and hit its cycle high of 5% in October 2023, some three months after the fund's rate peak. And it remains elevated. This means we've not had the first phase fall in the 10yr yield post the peak in rates.



Locking in still attractive yields before it's too late is the right thing to do. This can be achieved by putting cash to work in bonds and extending bond duration. No matter where we sit in the interest rate cycle, bonds play a key role in any portfolio because they provide diversification and predictable income streams. Given these points, there's pressure for the 10-year yield to continue rising, possibly re-testing higher levels, especially if the economy remains resilient.

Oil price once again on an upward trajectory - What soaring price of Oil means to the World?



Recently, oil market continues to be supported by ongoing tensions in the Middle East. Oil prices are up around 16% so far this year near $90 a barrel, with supply worries high given escalating Middle East tensions. Investors are focusing on this rally, After all, it was an energy price surge 2 years ago that helped drive inflation and interest rates higher on a scale not seen in decades. The tightness in oil supplies, and higher prices, has been supported by oil producing group OPEC and other big oil producers curbing their output. Escalations in Middle East war could lead jump in oil prices further leading to higher shipping costs that would hike global inflation. For now, oil supply is stable, but there's a growing risk that tensions in the Middle East could escalate. Despite Iran's recent attack on Israel, there hasn't been a significant price reaction because the market had already factored in a considerable risk premium.

War Implications on Economy Inflation and Interest rate...

It is generally agreed that this month has seen a significant escalation in long-standing Iran-Israel tensions. Both claim their territory has been attacked and threaten retaliation. Others urge calm. It's a dangerous situation in a troubled region, where recent months have seen a lot of suffering. For the US, inflation's path back to the Fed's 2% target has proven bumpy, and expectations for the timing and pace of Fed cuts have been downgraded since the start of the year. With the temperature in the Middle East only slightly off the boil, it wouldn't take much for the region's geopolitics to push oil higher again, and push back the first Fed cut even further.

Scenario	Details	Impact on Oil prices & VIX*	Impact on Global GDP & Inflation**
Confined War	Ground invasion of Gaza, - Limited broader regional conflict, - Lower Iranian crude output	Oil Positive +$4/barrel, VIX: No impact	GDP: -0.1 ppts, Inflation +0.1 ppts
Proxy War	Multifront war in Gaza, West Bank, Lebanon, Syria - Unrest wider Middle East	Oil Positive +$8/barrel, VIX: +8 Points	GDP: -0.3 ppts, Inflation +0.2 ppts
Direct War	Israel & Iran in direct conflict, -- Unrest wider Middle East	Oil Positive +$64/barrel, VIX: +16 Points	GDP: -1.0 ppts, Inflation +1.2 ppts
Source: Bloomberg Economics		* Impact calibrated based on 2014 Gaza War, 2006 Israel Lebanon War, 1990-1991 Gulf War	** Impact on YoY change in Global GDP & Inflation for 2024 estimated using Bayesian Global VAR

2024 Elections across global adding to crucial geopolitical risky events

2024, "Super election year" will see a deluge of elections that could spur volatility in Commodity & Currency markets. US in November, India presidentional general in April-May these event might also induce geopolitical risks, which havent been uncommon in recents years as world has become increasingly multi-polar. While the world economy struggles, the Asian behemoth will keep motoring. Given the lack of material difference between a Trump and Biden administration in terms of effect on the cash deficit, the bond market won't really care as the long-anticipated Fed rate cut cycle is likely to drive yields lower when it finally comes to fruition.

Take-away for 2Q-2024: themes and drivers

To sum up, the overall markets are driven by aggressive Fed-cut pricing, which are yet to deliver and thus the timing of cuts matters. At the start of 2024, the market expected huge rate cuts, but that didn't happen. Now, there's less optimism, which has boosted the yields and Dollar index. The market now predicts fewer rate cuts, closer to what the Fed expects. If the Fed delays, the dollar might stay strong. In a more extreme scenario central banks might even have to hike rates (like in the 1980s) due to higher inflation. In such inflationary situation, to be saved from elevated prices, investors tends to accumulate safe-haven assets.

2024 will see a deluge of elections that could spur volatility in USD/Asia pairs (India general in April-May; US presidential in November). These events might also induce geopolitical risks, which haven't been uncommon in recent years as the world has become increasingly multi-polar. The dollar benefits at first if geopolitical events break out. Safe-Haven Appeal in precious metal can been seen but volatility cannot be unseen. The year could be significant due to geopolitical and economic concerns, leading to mixed sentiments across diverse asset classes.

The year would be closely watched for the actions taken by governments, policy makers and central bankers across the globe. The decisions taken therefore to bring back the balances in the global economy and to stabilise the world, would be critical to sail through, in the current uncharted waters. Let's keep our fingers crossed!

Shri Naveen Mathur

Director – Commodities, Currencies & GIFT City, IFSC
(Anand Rathi Group)

MICRO, SMALL, AND MEDIUM ENTERPRISES (MSMES) VIS-A-VIS GOVERNMENT E MARKET PLACE (GEM)- THE GROWTH STORY

MSMEs Sector in India

Micro, Small and Medium Enterprises (MSME) sector has emerged as a highly vibrant and dynamic sector of the Indian economy over the last five decades. The Indian government recognizes the importance of MSMEs and has introduced various policies and initiatives to support their growth and development. These include easier access to credit, reduced compliance burdens, technology upgradation schemes, and more. The growth of MSMEs is seen as a key driver of economic development and job creation in India. MSMEs are complementary to large industries as ancillary units and this sector contributes enormously to the socio-economic development of the country.

Micro, Small and Medium Enterprises (MSMEs) play a crucial role in the Indian economy, contributing significantly to economic growth, employment generation, and industrial development. MSMEs have consistently been significant contributors to India's GDP. According to various estimates, this sector contributes around 29% to 30% of the country's GDP and employ a substantial portion of the workforce.

The sector also shows strong momentum in exports, as per the Directorate General of Commercial Intelligence and Statistics (DGCIS), the share of export of MSME specified products in all India exports during the year 2022-23 was 43.6%.

As per Udyam Registration Portal, more than 1.88 Crore MSMEs are registered with portal. Additionally, the total number of persons employed in MSMEs which were registered from 01.07.2020 to 01.08.2023 in India was 12.36 Crores

Government e-Marketplace (GeM)

Background & Objective

India currently spends more than Rs.25 Lakh Crore on Public Procurement. Hon'ble Prime Minister, based on recommendations of the Group of Secretaries in January 2016, decided to set up a dedicated e-market for different goods & services procured by Government Organizations / Departments / PSUs.

Subsequently, the Finance Minister in his Budget speech for FY 2016-17, announced setting up of a technology driven platform to facilitate procurement of goods and services by various Ministries and agencies of the Government. Accordingly, the initial version of GeM portal was developed and hosted by the erstwhile Directorate General of Supplies and Disposals (DGS&D) under the Ministry of Commerce and Industry on 9th August,2016. It is a contactless, paperless and cashless on-line platform which provides end to end solution for procurement of commonly used goods and services for all Central Government and State Government Ministries, Departments, Public Sector Units (PSUs) and affiliated bodies. GeM aims to bring transparency, efficiency, and inclusivity to the government procurement process. Interestingly, the GeM portal was created in a record time of five months. Notably, the initial version of the GeM portal was hosted and developed by the Directorate General of Supplies and Disposals under the Ministry of Commerce and Industry. However, the present GeM portal is developed and managed by the Managed Service Provider (i.e., MSP).

With a Vision **"To affect an evolution in public procurement promoting a transparent, efficient and inclusive marketplace",** the major objectives of the GeM portal are -

1. To increase efficiency, transparency, speed and cost savings in public procurement.
2. To provide multiple modes of procurement like direct purchase; bidding with reverse e-auction, e-bidding and direct reverse auction.
3. To make ministries/ government departments to mandatorily procure goods and services from the portal.
4. To enable efficient price discovery, economies of scale and dissemination of best practices.

The Success Story

- GeM has consistently demonstrated an unwavering commitment to fostering positive change, and its journey over the past seven years has been marked by remarkable achievements that have propelled it to become one of the largest public procurement portal in terms of both transaction value and the breadth of the buyer-seller ecosystem. In an astonishingly short span of time, GeM has surpassed the achievements of renowned public procurement platforms such as South Korea's KONEPS and Singapore's GeBIZ.
- A hallmark of GeM's success lies in its ability and dedication to cost savings, having enabled the government to save over Rs45,000 crore since 2016. According to the Economic Survey 2021-22, GeM's prices were 9.5% lower than other online platforms for 10 out of 22 commodities. GeM's transformative journey is a testament to transparency, efficiency, and inclusivity driven by cutting-edge technology and innovation. Further according to an independent assessment made by the World Bank, average savings for buyers in GeM portal is about 9.75% on the median price.
- GeM's expansion into the services sector has played a pivotal role in driving its accelerated adoption. Presently, the platform boasts an impressive catalogue of over 2.75 lakh services spanning across more than 280 categories, complemented by more than 34 lakh products. This comprehensive offering positions GeM as the one-stop solution for all products and services required by government departments across the nation.
- The portal's strategic expansion has led to a substantial increase in orders placed by various State Governments and related entities. The engagement has been very promising with States transacting order value of around Rs 42,000 crore in FY 22-23, an increase of approx. 35% over transacted value in FY 21-22.
- GeM's success extends to its presence at the grassroots level, as demonstrated by its integrated portal facilitating procurements by Panchayats. Additionally, the platform's inclusion of cooperatives and engagement with public sector banks for services such as system integration and core banking solutions underscores its commitment to inclusive growth.
- Central buyers, including CPSEs and allied bodies, have floated over 70 bids worth over Rs 100 crore on GeM in the fiscal year 2022-23. A historic milestone was achieved in February 2023 when NTPC Limited (A CPSE) placed an order valued at over Rs 20,000 Crores – the largest in GeM's history.
- The platform also played a vital role in the procurement of vaccines under the Universal Immunization Programme of the Department of Health and Family Welfare.
- GeM's collaborations with more than 20 industry associations have been instrumental in fostering support for local Micro and Small Enterprises (MSEs) and small industries. With nearly 68.50 Lakh sellers and more than 70,000 government buyers registered on the platform as of Aug 2023, the cumulative GMV surpassed Rs.5 lakh crore, showcasing the platform's enduring impact.
- **Graphical Representation of Procurement from GeM, since its inception: -**

GeM Path Ahead and Opportunity for MSME's

As per World Bank Report, the governments spend around 20% of global GDP on public procurements, moreover for developing nations like India the number is more than 20% of GDP. Currently GeM bagged very minimal orders as compare to whole public procurement of the country, which means there are lot of opportunity still available to achieve the vision.

Currently GeM majorly supports procurements for Central Ministry, CPSEs, Central & State affiliate bodies along with Railway & Defense, however in additions to that there are many more sector like Electronics & Telecom, Electricity, Renewables & Pharmaceuticals etc. where potentials are to be explored.

<u>Ease of Doing Business for MSMEs</u>

Since the prime focus of launching GeM Platform was to strengthen the MSMEs sector, so far it is pushing towards its goal, which can be seen from the fact that the sector contributes majority stake through the portal. It is pertinent to mention here that out of total cumulative procurement since its inception through GeM of more than Rs.5 Lakh Crore, 51.45% or Rs.2.58 Lakh Crore orders are executed by MSME's only, which shows that there is huge potential are available for MSME's Sector. It also demonstrates the exceptional capabilities of MSME's.

<u>MSME's growth Path</u>

Over the year, the Sector performed very well and achieve tremendous growth for public procurement prospect. As per data maintained by MSME SAMBANDH Portal for Ministry of Micro, Small & Medium Enterprises, since last 5 years the growth numbers are around 55.21% by the MSME's. Out of total cumulative total procurement during last 5 fiscal's years of Rs.7.65 Lakh Crore the MSME's sector contributed procurement of Rs.2.36 Lakh Crore.

As per MSME SAMBANDH Portal

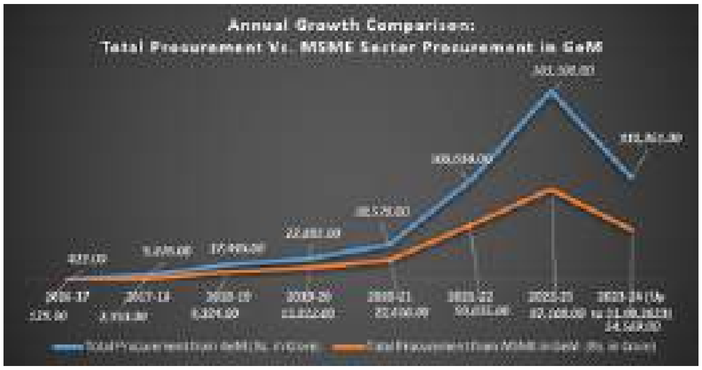
<u>Government Initiatives Driving Effective GeM Implementation</u>

- The purchases through GeM by Government users have been authorized and made mandatory by the Ministry of Finance by adding a new Rule No. 149 in the GFR, 2017. Government has made it compulsory for public procuring entity for procurement through GeM only.
- Separate Targets has been incorporated in Memorandum of Understanding (MoU) of CPSEs, wherein procurement from GeM Portal mandates 25% minimum procurement of its Annual Procurement from GeM Portal.
- To facilitate ease of payment to MSME's, MoU has been signed between GeM and TReDS.
- The MoU Provides timely payment and Value added Services like bill discounting etc. from Public procuring entity to MSMEs, in additions to that MoU allowed better credit facilities through unique financing model of TReDS to MSME's.
- In order to encourage Make in India campaign and to promote domestic manufacturing and production of Goods & Services, mandatory compliance of Make in India Purchase Preference Policy, enabling local MSME's vendors get maximum benefits.
- Promotion of Atmanirbhar Bharat - GeM has been promoting the Atmanirbhar Bharat policy, introduced in the wake of the Covid-19 pandemic, meant to encourage self-reliance and to boost MSMEs.
- Entry of Small Local Sellers - The Marketplace has facilitated entry of small local sellers in Public Procurement and empowering MSME's

<u>Distinctive GeM Features benefiting to MSME Sellers</u>

- Provision of selection from MSE preference for Service orders and Goods order.
- Central Government Buyer shall have to upload an approval of competent authority stating the reason for bypassing the MSE Preference.
- For State Government Buyers can also select MSE preference though the selection remains Optional.
- MSE preference provided on the total value including add-on and based on that, price matching will be done on total value.
- If L-1 is not an MSE and MSE Seller (s) has/have quoted price(s) within L-1+ x% of margin of purchase preference as defined in the relevant policy, the buyer may with the approval of their competent authority, decide to award 100% order quantity on such service provider, provided such MSE bidder accepts the counter offer price of Non-MSE L1 bidder.
- It also provides the tools of e-bidding and reverse e-auction to facilitate the government users achieve the best value for their money

Since the launch of the portal, we have witnessed a remarkable increase in the numbers of MSMEs, as demonstrated in the following graphical presentation depicting procurement from MSME sellers through GeM as compare to total procurement from GeM:-



Distinctive features available to Buyers:

The GeM Portal provides some exceptional features for the benefit of buyers viz. huge list of products for individual categories of Goods & Services, facility available for search across thousands of vendors, transparency and ease of buying, providing vendor rating systems etc.

Turning Dreams into Reality: The Journey to $ 5 Trillion Economy

Hon'ble Prime Minister Narendra Modi's aspiration for India to achieve $ 5 Trillion economy by 2025 is a highly ambitious endeavor, with the ultimate goal of becoming the world's third-largest economy. The government's confidence in this vision is rooted in India's historical economic performance and current trajectory. It is now incumbent upon the MSMEs to harness their strength and potential with the help of GeM , for making significant contributions to propel the nation towards the $ 5 Trillion economy milestone and securing its position as the world's third-largest economy.

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CMA Hrishikesh Kumar
Executive Director
NBCC (India) Limited

CA Anil Kumar Sah
DGM (Finance)
NBCC (India) Limited

Disclaimer: This article is also published in The Management Accountant

THE STRUGGLE FOR AFFORDABLE HOUSING IN A BOOMING LOAN MARKET

Initially, traditional bank loans were the mainstay for financing in India's real estate sector, providing most of the capital for development projects. As the market has grown and evolved, so too has the structure and accessibility of these loans. Banks have responded to the increasing demand by offering more favorable terms, such as reduced interest rates and extended repayment periods for housing loans, making it easier to meet the expanding needs of the real estate market.

Since 2013, there has been a marked shift in India's real estate financing toward structured debt products, following a period of increased activity and substantial equity investment from large global real estate funds during 2007-2011. The transition reflects lessons learned from the previous bullish phase, which prompted a pivot towards more secure, debt-based investment approaches designed to mitigate market instability. Concurrently, Real Estate Investment Trusts (REITs) have risen in popularity, offering investors an alternative route to engage in real estate markets through the acquisition of shares, bypassing the need for direct property ownership. This dual shift has broadened the scope and accessibility of real estate investment in the region.

In India, the housing loan sector has seen remarkable expansion over the past twenty years, marking significant shifts in both the economic landscape and the banking sector's approach to residential lending. The surge in housing loans is evident from the substantial increase in home loans as a percentage of the country's Gross Domestic Product (GDP). This metric has more than tripled, escalating from a modest 3.2% to an impressive 10.6% over the past 20 years.

Additionally, the share of residential loans in the total advances made by Scheduled Commercial Banks (SCBs) has also seen a significant rise. In the last 11 years, this figure has grown from 8.6% to 14.2%. This growth is indicative of several factors including the banks' evolving policies towards home financing, which have become more accommodating over time.

Likewise, affordability levels (ratio of housing prices to annual income), as measured by the EMI to income ratio across various Indian cities, are at a two-decade high and the demand remains robust for mid and luxury segments. For example, in Mumbai, the ratio stood as high as 93% in 2010 but decreased to 55% by the first half of 2023, indicating a significant improvement in affordability. Similarly, Hyderabad and Ahmedabad witnessed notable improvements, with their ratios declining from 53% and 46% in 2010 to 31% and 23%, respectively, by mid-2023. This trend is also evident in other cities such as Bengaluru, Chennai, and Pune, where there has been a steady decrease in the EMI-to-income ratio

The pace of bank funding for real estate developers has, however, slowed down with the growth rate decreasing from 18.6% in 2014 to 10.8% in 2022. Meanwhile, the share of commercial real estate (CRE) in the total loans disbursed by Scheduled Commercial Banks (SCBs) has remained relatively stable, fluctuating between 2.0% and 2.9% (CRE encompasses non-retail asset classes, including the construction of commercial buildings, IT buildings, and residential structures that have received development loans from banks).

Since 2021, 'Real Estate' and 'Large Industry' are the only categories within the banking sector's portfolio that have shown a year-over-year decline in their share of the total gross credit. More precisely, the 'Large Industry' sector witnessed a reduction in its percentage of the overall bank credit, decreasing from 21.58% in the fiscal year 2021 to 19.42% by the fiscal year 2023.

Growth in housing loan disbursals has not aligned with the needs of the market, often resulting in a disparity between what builders are prioritizing and what homebuyers actually require. A glaring reflection of this misalignment is visible in low-cost housing, which typically offers lower profit margins for developers. This sector has witnessed a consistent downturn in sales, underscoring a mismatch between the supply of housing units and the actual demand in this segment. This trend is particularly concerning given the essential role that affordable housing plays in addressing the needs of a broader population.

The availability of affordable housing, particularly in the price brackets of below Rs. 25 lakh and Rs. 25 to 45 lakh, has experienced a significant reduction, dropping by 20% since the onset of the pandemic. This decline in supply suggests that despite the increase in overall housing loan disbursals, the specific needs for more affordable housing units are not being adequately met by current real estate developments.

Data reveals a progressive decline from 2018 to the first half of 2023 in the sales of homes priced at or below Rs. 50 lakh across the top 8 cities. In 2018, homes within this price range constituted 54% of all residential sales. By the first half of 2023, this figure had dropped to just 32%. Conversely, there has been a notable increase in the sales of homes priced above Rs. 50 lakh. The segment of homes priced between Rs. 50 lakh to Rs. 1 crore saw an increase from 30% in 2018 to 38% in the first half of 2023, and homes priced above Rs. 1 crore rose from 16% in 2018 to 30% in the same period.

This shift highlights a growing affinity towards higher-priced housing, which, while profitable for developers, deviates from the pressing demand for more affordable housing options. The issue is compounded by the statistics from the Planning Commission, which estimate that over ninety-five percent of the housing shortage in urban areas is concentrated in the Economically Weaker Sections (EWS) and Low-Income Groups (LIG).

The dynamics within the housing market, influenced by bank funding policies and developers' focus, have, therefore, not only affected sales trends but have also exacerbated the housing crisis among the economically weaker sections of the population. This scenario calls for a reassessment of funding strategies and market focus. There needs to be a realignment of developer incentives and bank funding to better serve the broader needs of the community, particularly those of the EWS and LIG segments. Addressing this imbalance is not only crucial for meeting the housing needs of the entire spectrum of society but also for promoting equitable economic growth and stability in the urban housing market.

Shri Jyoti Prakash Gadia

Managing Director
Resurgent India Limited

CHANGING DYNAMICS OF STOCK BROKING INDUSTRY IN INDIA.

What lies ahead?

The stockbroking Industry in India is changing faster than ever before. From a 14-day settlement cycle to T+1 settlement, from an Outcry system to transparent online price dissemination, and from trading through a dealer over the phone to the use of APIs and Algorithmic Trades, the industry has been constantly reinventing itself. We find Moore's Law in action, with every passing year the trading volumes on exchanges, the computing power - processing thousands of orders in a fraction of a second, has been growing significantly. The trading volumes and number of contracts traded daily on Exchanges are nearly 100 times more than what they used to be a few years ago.

The last 3 years have seen an unprecedented jump in the Investor base. COVID-19, internet and mobile penetration, and growing awareness about trading and investing in stock markets, and IPOs are some of the key factors that led to this growth. Around 4% of the population holds demat accounts basis unique PAN, however, the number is over 120 million otherwise. With increasing awareness, the number is likely to grow, and industry players feel the number can surpass 250 million by 2030.

In the last 3 years, we have seen multiple regulations and policies being rolled out by the Market Regulator and most of them have been implemented. The Market regulator (SEBI) and exchanges are trying to keep pace with the changing business environment. Most of the recent regulations are aimed at ensuring the protection of retail investors (most of them have entered markets for the first time during the COVID pandemic) from fraudulent practices. For Market Intermediaries , with stricter penalties including debarment of members for a few months, adherence to compliance has become a prerequisite to conducting business. In years to come, I believe the stock broking industry will undergo a paradigm shift. The shift has already begun. With my limited experience and understanding, I have tried to share some thoughts on what has changed and what lies ahead:

- Broking Industry has moved beyond pricing, additional exposure limits, and Tips. In the days to come, the successful players will not be the ones who charge zero brokerage or figures out a way to provide additional limits to their users or provides intraday calls resulting in more turnover or trades (I personally believe that the probability of such tips working is a function of the market sentiment) but will be the ones who create a moat or an edge. The edge can be through faster execution capabilities through innovation in technology and infrastructure, customer experience, wealth management, Portfolio Management Services, or a combination of some of these. Copying features can ensure short-term visibility but creating an edge is a long-term game.
- Compliance or regulatory arbitrage is going to be a thing of the past. Compliance is going to become a function as crucial and important as Tech, Risk, or Sales and Marketing.
- With the Account Aggregator framework going live soon, onboarding clients will be much easier than before. Single KYC across all financial products may lead to wider participation.

- Today we have interoperability across exchanges and clearing corporations. You can buy shares in one exchange (NSE) and sell in another (BSE), and vice versa. The settlement takes place seamlessly. In a similar manner, Clients will be able to choose a broker with whom they want to trade or invest without going through the onboarding process again. Clients will be empowered to shift their accounts from one broker to another like we select the mobile operator today without changing our mobile numbers.
- Brokers who fail to keep pace with the expectations of their customers and regulations would be left with a choice of either to shut their business or get merged with a larger entity. The industry is already witnessing a churn out. Those willing to adapt to change need capital to build technology and infrastructure. Industry status to Stockbroking will enable entities to raise capital/debt at viable rates, a relook at it is essential now.

A vibrant, well-regulated, and strong Capital Market creates trust and confidence and results in the mobilization of capital for the Economic growth of a country. We, the market Intermediaries, being an important link in the ecosystem have an important role to play. I believe the industry is all set to grow manifold, what we need is to embrace change. As Charles Darwin says-

“It is not the strongest of the species that survives, not the most intelligent that survives. It is the one that is the most adaptable to change.”

Shri Jay Prakash Gupta

Founder- Dhan,
Co-founder- Raise Financial Services

AN INSIGHT ABOUT MARKET OUTLOOK

BY CMA R K MOHAPATRA, FINANCIAL EXPERT & AUTHOR

India's current financial health is significantly more robust than any other economy. India is on track to become one of the world's fastest-growing economies. The Indian government has formulated many policies and has implemented several structural frameworks: the Goods and Services Tax (GST), the New Tax Regime, the Insolvency and Bankruptcy Code, 2016 (IBC), the Citizenship (Amendment) Act, 2019(CAA), the Real Estate (Regulation and Development) Act, the Government Support for Corporate Profits, Formalization of the Economy, the revolution of Digitalizing Social Transfers, etc.

These structural developments have been implemented in India over the last decade and have exhibited macroeconomic stability, establishing confidence across multiple monetary and fiscal institutions. The regulators are dedicated to maintaining economic and budgetary discipline to create a favorable climate for India.

Consequently, India is emerging as an attractive destination for global investors, who are increasingly interested in allocating more capital to infrastructure as an asset class.

Factors affecting capital markets:

Various factors influence national and international Capital Market stability, such as interest rates, exchange rates, political instability, economic conditions, inflation, demand and supply, regulatory policies, and market practices.

Monetary Policy:

Central banks use monetary policy to manage economic fluctuations and achieve price stability. RBI retained the status quo on the policy rate in February 2024 and stance in line with market expectations. While the inflation rate has gradually decreased quarter after quarter, it is still above RBI's medium-term target of 4%, which is within the RBI's tolerance band of 2-6 percent.
However, the Federal Reserve continued to hold the line on interest rates at the March 2024 Federal Open Market Committee meeting and anticipated three rate cuts later in 2024 despite persistent signs of unexpectedly high inflation at the beginning of the year.

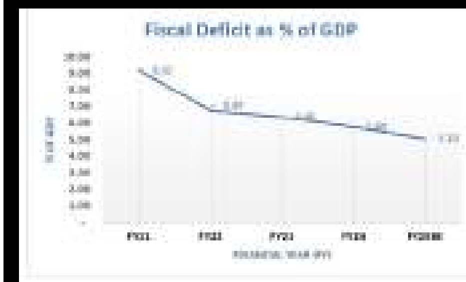
Even though Fed monetary tightening, the U.S. economy remains resilient, and it appears that the Fed expects growth to continue. The US economy is entering a prolonged phase of stable, robust growth between 1.5 and 2 percent, accompanied by mild inflation of 2 to 3 percent. That includes an upgrade to anticipated 2024 economic growth as reflected in Gross Domestic Product (GDP).

Inflation rate:

India's annual retail inflation, measured by the consumer price index (CPI), eased to 5.09% in February 2024 from 5.10% in January 2024 and 5.69% in December 2023. The market forecasts 5.05 and 5.02%.
Food inflation was 8.66% in February, slightly higher than 8.3% in January, mainly due to vegetable prices. Prices for pan, tobacco, intoxicants, clothing and footwear, pulses, spices, fruits, miscellaneous, and housing also slowed in February compared to January 2024. February marks the sixth straight month the inflation stayed below 6%.

Fiscal Deficit:

The interim budget estimates the fiscal deficit for the financial year 2024 at 5.8% of GDP, compared to the original budget estimate of 5.9%. Last year's deficit was 6.4% of GDP, and the government has committed to reducing it to 4.5% by 2025-26, with a target of 5.1% for 2024-25. This fiscal target is notably lower than the market's anticipated range of 5.3-5.4 percent.



Fiscal math makes very reasonable assumptions about tax and non-tax revenue growth for FY 25. Effective capex allocation has been increased by nearly 17%, while revenue expenditures are budgeted to see very modest growth in FY 25.

This glide path may need to be adjusted in the entire annual Budget for the year after the general election, depending on the future government's objectives and the state of the economy in the current and next quarters.

Challenges in Markets:

One key issue in the US market is the high-interest rate on short-term deposits, which has remained above 5% for several years despite being zero percent. The United States Federal Reserve (US Fed) raised its policy rate or Fed funds rate from 0.90 percent in August 2021 to 5.33 percent currently.

Consequently, the benchmark US 10-year treasury yield has risen to approximately 4.16 percent from a historic low of 0.50 percent in July 2020. An enormous amount of capital has been parked, and investors are afraid to enter the stock market hastily.

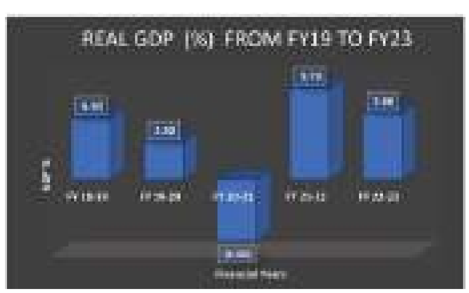
On the other hand, the RBI has raised its policy rate or repo rate only by 250 basis points phase-wise in the post-COVID period from 4 percent in May 2020 to 6.50 percent currently. In other words, the lending rates in India are currently lower than in the pre-covid period, while in the US, corporate and retail borrowings are paying higher interest rates than they paid before the pre-covid period.

Apart from that, all the major economies in the world are experiencing an economic slowdown due to factors like monetary tightening by central banks, higher inflation, supply-chain disruptions, and ongoing wars in East Europe and West Asia.

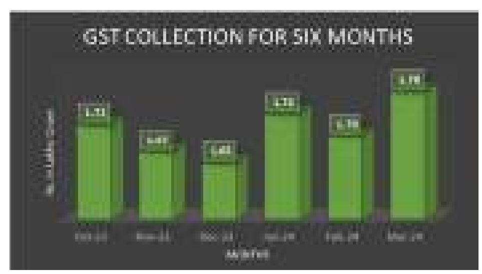
Geopolitical unpredictability is another significant challenge for the equities market. As a worldwide election year, ambiguity spread through the political landscape this year, causing most investors to stay on the sidelines, satisfied with a 5% return on cash investments.

Economic Growth:

The Indian economy is currently the toast of the world, boasting one of the fastest economic growth rates among major economies. Indian business entities' revenue growth surpassed the country's economic growth, increasing their contribution to GDP.
Real GDP or GDP at constant (2011-12) prices for the years 2022-23 and 2021-22 stands at ₹160.71 lakh crore and ₹150.22 lakh crore, respectively, showing a growth of 7.0 percent during 2022-23 as compared to growth of 9.7 percent during 2021-22.



Recently, the RBI Governor said, "India's GDP growth in FY24 will exceed 7.6%; it might be closer to 8%" and that he believes India " may grow at 7 percent in the next financial year, i.e., FY25 as well".
Meanwhile, the International Monetary Fund (IMF) projects global growth to stay at 3.1 percent in 2024 and rise to 3.2 percent in 2025. However, the IMF indicates that growth in India was projected to remain strong at 6.5 percent in FY 24 & FY 25.
India may be set for another year of robust growth in the financial year 2024-25, with inflation closer to the RBI's expectation. As most respondents expected, it may allow the RBI to start cutting rates in the third quarter of FY 25.
On the other hand, the Purchasing Manager's Index (PMI) for manufacturing activity increased to 56.90 on February, 24. Growth in the output of eight key infrastructure sectors rose to a three-month high of 6.7 percent in February from 4.1 percent in January 24. India's growth story has also been reflected in GST collections from month after month.



GST collections remained buoyant, reaching Rs.1.78 trillion in March, registering a year-on-year growth of 11.50%.

Debt instruments Outlook for FY 24-25:

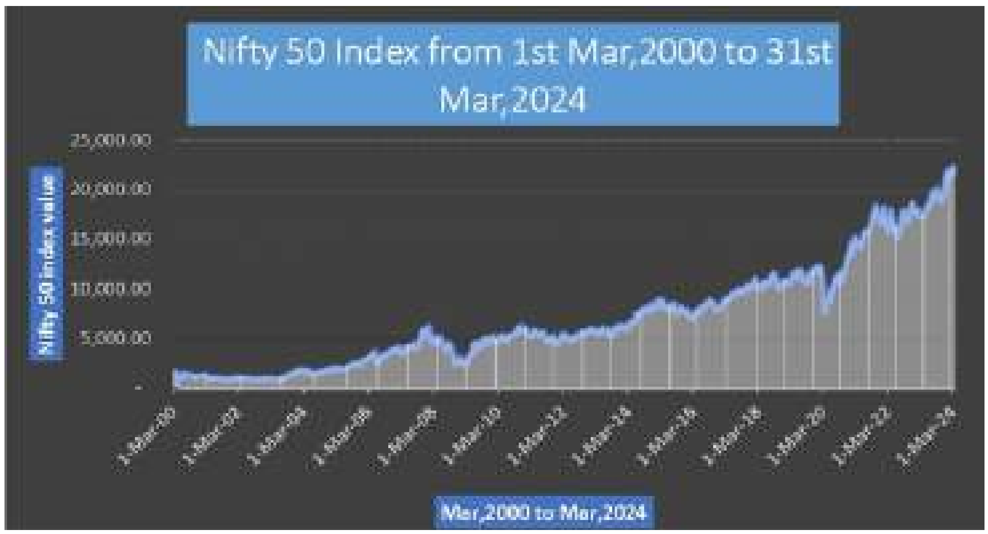
In September 2023, JP Morgan announced the inclusion of India's bonds into the JPMorgan Government Bond Index- Emerging Market. Subsequently, Bloomberg Index Services revealed on March 5, 2024, that Indian Government bonds would be added to its Emerging Market Local Currency Government Index from January 31, 2025.

Hence, factors such as index inclusion, interest rate cuts, and fiscal prudence could boost the bond market in FY 2024-25. The prospective investor may start picking up short to medium-duration bonds and debt instruments through the SIP route to fulfill short-term goals.

Equity Market Outlook for FY24-25:

Improved global economic conditions and a positive Indian macro scenario have driven Foreign Portfolio Investors (FPI) to invest in high growth-oriented markets. Foreign Portfolio Investors demonstrated a significant resurgence in their investment activity within the Indian equity market on March 24, injecting over Rs. 38000 Crore. Apart from equities, FPIs have also injected a huge Rs. 13223 crores into the debt market up to 22nd March 24.
The equity market has rallied sharply since 2023. The benchmark indices, the National Stock Exchange Nifty 50 and S&P BSE Sensex had registered gains close to 25 percent and 28 percent, respectively, in the financial year 2023-24. The gains were nearly double in the midcap and small indices.

The Nifty 50 has consistently delivered strong returns, providing a solid basis for future investment decisions. As of March 2024, it has yielded returns at a CAGR of 13.60 percent over the last ten years. This historical performance is a testament to the market's resilience, as there has never been a negative performance for ten years or more. As an investment's tenure increases, the probability of negative performance decreases, further bolstering the case for long-term investments.
Equity has the potential to deliver strong returns with lower downside risk in the long term compared to debt instruments such as bonds, debentures, and govt. Securities. Hence, equity and equity-related investments should consistently deliver decent returns in the long run without worrying about daily market volatility, ideally for more than five years. One can assume returns of 12–14 percent over a longer horizon. From now on, the sentiment appears to be buoyant, supported by India's relatively better macros, the possibility of a rate cut in FY 2024-25 higher inflows of FII, and the narrative around policy continuity in the upcoming general elections.
The Indian Market may be volatile until June 24. If it corrects due to the post-election, investors will have a buying opportunity. However, the overall outlook of Indian capital markets remains optimistic in the long run, supported by resilient domestic demand, robust Capex, and signs of bottoming the global and domestic monetary tightening cycles.



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CMA R K Mohapatra is a Consultant GM / Finance in IRCON and an "Eminent Author" awardee. He has 33 years of experience in finance and accounts, portfolio management, cash and wealth management, and tax planning. He is known for his work on individuals' financial and retirement planning

THE SMART WAY TO INVEST

The young generation or the millennial generation forms most of the workforce. They are the best investorsdue to their ability to recover from the losses through future income avenues. As the wiser said Wealth is not generated overnight, and it is something which you gain through experience and perfect timing. A young investor is in a better position. The amount of risk an investor can accept depends on their age. Young investors have the option of seeking greater profits by taking greater risks. This is so that if young investors lose money, they will have time to make up for it by earning more money. However, young people have little financial experiences which make them vulnerable to market risks and they are frequently tempted to prioritize spending their money now rather than paying attention to any long-term objectives, like retirement. It's also prudent to quote that savings alone cannot fulfill the requirement of wealth enhancement. In the short term, investing some money rather than using it for immediate expenses can boost wealth and quality of life.

In this modern era, the current financial market offers a better opportunity to invest. With variable investment instruments provided, it has made the market more enticing with return and risk preference to be explored and grabbed by the potential investors. Somehow, from the younger generation's point of view, the awareness of investment seems to be lacking. If we investigate the factors influencing investment awareness among the potential investors of the youth, then the major ones are financial literacy, personal interest factor, tailored Investment Guidance and the environment factors (political, social and economical). By improving these factors, policymakers, financial institutions, and stakeholders can create an enabling environment that promotes responsible and informed investment behavior among the youth. Ultimately, this will contribute to the long-term financial well-being and economic growth of both individuals and the nation.

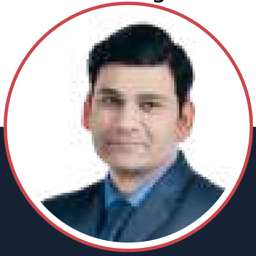
There are numerous avenues for investment are available which a young investor may choose to build his/her wealth, like:

1. Stock Market Trading: This investment option is entirely based on market movements and is very volatile. It is a high-risk high-reward kind of investment tool. However, before proper company research and due diligence is crucial. It is always advisable to take guidance from the SEBI authorized Research Analyst or Advisors to take the decision.

2. Mutual Funds: A mutual fund is a shared investment where multiple investors invest in a company's stocks or bonds. It is again a market-linked investment tool. Every investor owns units, which is a share of the holdings of the fund. The risk depends on the type of stocks or bonds that you choose to invest in. Mutual funds are a good option for investors with all risk appetites. They have flexible tenures and high returns as it is a market-linked option, though, a very convenient investment tool that does not require constant monitoring as the fund is managed by a professional f u n d manager.

3. Fixed Deposit: The fixed deposit is a sound instrument that does not get affected by dynamic arket movements. The interest rate applicable at the time FD is maintained throughout the chosen tenure, making it easier to estimate the returns at maturity. This is a perfect tool to invest in to fulfill financial goals. It is one of the safest investment options available to date. Here the investor need not worry about losing capital at all since it is backed by the government.

4. Systematic Investment Plan or SIP: is a process of investing a fixed sum of money in mutual funds at regular intervals. SIPs usually allow you to invest weekly, quarterly, or monthly.
In short, by having an appropriate investment portfolio, it will facilitate future investors to be more knowledgeable about achieving their financial goals within a particular period of time. The significance of these financial instrumentsis apparent in the economic acceleration of any country by channelizing the household Savings .



Dr. Ravi Singh

SVP -Retail Research, Religare Broking Ltd

SECTION 43B(H) : PAYMENT BASED DEDUCTION FOR AMOUNT PAYABLE TO MSME

OVERVIEW OF OLD SECTION 43B

This Section provides that some expenses which are specified under Section 43B shall be allowed as deduction under the head 'Income from business and profession' only on actual payment basis rather than accrual basis. It means assessee can't claim the deduction in the year in which payment is due but in the year in which payment is made. However, this section shall not apply if payment is made by the assessee on or before the due date of return filing under section 139(1) in respect of the previous year in which liability was incurred and evidence of such payment furnished by the assessee along with his return.
For e.g. – If any taxes or duties are due for Previous Year (P.Y) 2023-24 in case of an individual, then Assessee has to pay such amount till the due date of return filing i.e. 31 st July 2024 for claiming deduction in the P.Y 23-24. If assessee fails to pay such amount till the due date of filing return, then assese shall be allowed to claim deduction in the P.Y in which such taxes or duties are actually paid.

Introduction to latest Amendment to Section 43B

A new clause has been inserted – clause (h) to Sec 43B of the Income Tax Act via Finance Bill 2023.

As per Sec 43B(h), any sum payable by the assesses to a **Micro & Small Enterprise** beyond the time limit specified in **Section 15 of the MSME Act, 2006** shall be allowed in computing the income of the previous year in which the sum has been actually paid. This is irrespective of the previous year in which the liability to pay the sum was incurred, as per the accounting method regularly employed.

Section 15 of MSME Act, 2006

Section 15 of MSME Act, 2006 defines that: "Where any supplier supplies any goods or renders any services to any buyer, the buyer shall make payment therefor on or before the date agreed upon between him and the supplier in writing or, where there is no agreement on this behalf, before the appointed day*:

Provided that in no case the period agreed upon between the supplier and the buyer in writing shall not exceed forty-five days from the day of acceptance or the day of deemed acceptance".

***'Appointed day'** means the day following immediately after the expiry of the period of fifteen days from the day of acceptance or the day of deemed acceptance of any goods or any services by a buyer from a supplier."

This means as per Sec 15 of MSME Act, buyers are liable to make payment for goods or services supplied by an MSME, within a period of 15 days in case there is no agreement. If there is an agreed date of payment, then buyers are liable to make payment within the specified date as per the agreement or 45 days, whichever is earlier.

For e.g. – If goods or services are sold or rendered by micro or small enterprises and agreed date is 24/08/2023 and payment is made by buyer on 25/02/2024 then it shall be allowed in P.Y 2023-24 though it has been paid **after 45 days as per section 15** but within same F.Y. payment is made.

If goods are sold or rendered by micro or small enterprises on 14/06/2023 and there is no agreed date and payment is made by buyer on 25/10/23 then it shall be allowed in P.Y 2023-24 though it has been paid **after 15 days as per section 15** but within same F.Y. payment is made.

In case goods or services are sold and rendered by micro or small enterprises on 10/02/2024 and payment is made on 05/04/2024. In this case, as payment is not made within 45 days and within same P.Y therefore it will be disallowed during P.Y. 2023-24. It will be allowed during P.Y 2024-25, in which the actual payment is done.

MEANINGS OF MICRO OR SMALL ENTERPRISES AS PER MSME ACT:

MICRO ENTERPRISES	SMALL ENTERPRISES
Investment in Plant and Machinery or Equipment not more than Rs 1 crore and Annual Turnover not more than Rs 5 crore	Investment in Plant and Machinery or Equipment not more than Rs 10 crore and Annual Turnover not more than Rs 50 crore

Consequences if payment is not made within the specified time limit

If buyer fails to make payment for goods or services supplied by an MSME, then the following consequences will be there:

- Liability to pay Interest: If buyer fails to make the payment within the specified time as per Sec 15 of MSME Act, then buyer shall be liable to pay compound interest to the supplier on the amount due, as per the rate notified by the Reserve Bank of India (RBI).
- Interest Disallowance: The interest so paid/payable by buyer for delayed payment shall not be allowed as deduction.
- Expenditure Disallowance: The expenditure in respect of which buyer is liable to make the payment to supplier, shall be disallowed in the year if such payment is not made within the specified time period. It will be allowed in the year in which the payment will be actually made by the buyer.

Responsibility of Tax Auditor

Tax Auditor need to check whether section 43B(h) of the Act is compiled and same is required to report in Tax Audit Report. Tax Auditor need to ensure that sundry creditors outstanding as on 31.03.2024 should not be older than 45 days otherwise it will get disallowed. Tax Auditor should send email to all such vendors through client and ensure how many Small and Micro entitles are out such sundry creditors whose balance is outstanding more than 45 days at year end.

Non-applicability of Sec43B

The provision of Sec 43B shall not be applicable in the following cases:

1. Where Sec 44AD/44ADA is applicable as Section 44AD/44ADA override Section 28 to 43C.
2. Balance of Creditors as on 1st April, 2023 i.e. opening balance of F.Y. 2023-24.
3. Provisions made as on 31.03.2024 i.e. year-end closing provisions.
4. Where the enterprise is engaged in Trading business as Traders are not covered under the definition of Small and Medium Enterprise as per MSME Act. Traders are included under MSME Act wide Office Memorandum dt. 21/07/2021 only for the purpose of providing benefit of priority sector landing only.

Conclusion

Section 43B latest amendment related to MSME has a good impact for the micro or small enterprises because many supplier purchase goods or services from the micro or small enterprises but don't make payment on due date due to which MSMEs has to suffer. Now, buyer will be able to claim deduction of the payment in current previous year only when they make payment within period of 45 days in case of agreed date or within 15 days if nothing specifically agreed. If payment is made beyond above limits then it shall be allowed in the previous year in which payment is made.

CA. Sangam Kumar Aggarwal
Regional Council Member, NIRC of ICAI

ESG-a tool for achieving sustainability.

ESG is Primarily used for Environmental, Social, and Governance (ESG) that is mainly use by investors who takes care for society at large or habitual of giving back to society more than what they have extracted from this beautiful nature or earth.

ESG norms mainly talked and focused towards ideology and set framework that ensures value to our endeavours in terms of returns. The importance of ESG for business cannot be ruled out as it helps in managing risks, create enduring benefits, have focus towards investors demands, regulatory compliances, and stakeholder's fulfilment of expectations. By focusing on ESG factors,
the following targets can be achieved: -

- To take care for environmental challenges.
- To strengthen social relations
- To strengthen related governance practices.

In a nutshell, **ESG** which stands for **"Environmental, Social and Governance"** can be described as a set of policies, practices and procedures that helps organisations in enhancing positive impact on the environment, society, and governance.

Thus the three pillars of ESG are as under:

- **Environmental** – Mainly focused on organisation's impact on the planet-carbon emissions, water & air pollution and climate change etc.
- **Social** – Primarily deal with the impact an organisation has on people- staff, customers & Community-Customer satisfaction, privacy and data safety etc.
- **Governance** – it covers mainly how an organisation is governed. With Transparently-Composition of board, structure of Audit Committee etc.

Status of ESG implementation in India

Companies in high-emitting sectors like industry and energy face stringent scrutiny by the Government. The Securities and Exchange Board of India (SEBI) also made ESG disclosures mandatory for the top 1,000 listed companies under its Business Responsibility and Sustainability Reporting (BRSR) initiative. India has a defined mandate for Corporate Social Responsibility (CSR) for companies with Rs 5 Crore net worth, Rs.10 Crore turnovers, or Rs.50 Crore net profit. These companies must spend at least 2% of their net profits on CSR endeavours and disclose their ESG profiles to attract capital from global ESG investors and financiers.

Reason for popularity of ESG concept:

1. It mitigates risk and provide value for investors and for companies.

2. It helps regulators to get information and arrange processing of the same..
3. Investors prefer to invest in companies that align with their values and goals.

4. Companies that perform well on ESG are less risky, better positioned for the long term, and have power to resist uncertainty.

5. Helping environmental and ecological causes.

6. Holding companies accountable for their actions

7. Rewarding ethical companies based on their principles

8. To obtain inflation-beating returns.

Reasons for sustainability of ESG in India

The reasons can be enumerated below:-

1. Investors are demanding ESG Investments:
The shift to sustainable investing is so powerful that they are investing in sustainable strategies as they look to use their capital to help create a more sustainable world.

2. Technology is providing transparency and good governance:
The internet transformed the way information is accessible from each nook and corner of the world.

3. Corporates are encouraged to take action:
The encouraging news is that many companies already understand the need to take action on ESG issues. The reason is that they conclude that they can only deliver sustainable long-term growth if they manage the Earth's resources prudently, treat their workers with respect and look after the natural environment in which they work in.

4. Investment research is focussed on sustainability:
The Fund Managers are looking for compliance relating to ESG by understanding prospective company's focus or concern towards sustainability.

Golden principle of ESG: -

These are the Golden Rules of ESG: -

- The businesses to be governed keeping in mind the best ethical, transparent and accountable practices.
- Goods and services should be provided which is safe and sustainable.
- Business should be conducted in a manner which takes care for all associated employees and their other associates or business chain.
- Interest of all stake holders may be protected in the best possible manner.
- Human rights must be protected.
- Companies must provide value to their customers.
- It is the duty of business houses to promote growth and equitable development.
- Protection and restoration of environment must be ensured.
- Functions of the businesses must be transparent and with responsibility.

Disclosure requirements under BRSR.

The disclosures under BRSR are made under the following sections:

- **Section A:** General disclosures about the listed entity.
- **Section B:** Management and process disclosures.
- **Section C:** Principle-wise performance disclosure.

What are ESG issues in India?

However, there are several challenges involved in reporting ESG metrics for the supply chain. Corporates in India find that a significant portion of their supply chain partners are small, unlisted firms, and it can be difficult to communicate the value of sustainability to these partners.

Is ESG reporting mandatory in India?

The Companies Act, 2013 introduced one of the first ESG disclosure requirements for companies. Section 134(m) mandates companies to include a report by their Board of Directors on conservation of energy, along with annual financial statement.

What is ESG audit in India?

In India, ESG Assurance in Audit for Sustainable Accountability.ESG assurance in audit involves verifying and validating a company's environmental, social, and governance (ESG) performance data and disclosures to ensure accuracy, reliability, and completeness.

What is the difference between CSR and ESG in India?

Corporate Social Responsibility (CSR) refers to sustainability strategies businesses employ to ensure that the company is carried out ethically. In contrast, Environmental, Social and Governance (ESG) are criteria used to measure a company's overall sustainability.

Overall, these developments in ESG reporting and assurance will contribute to building trust among stakeholders, promoting sustainable practices, and facilitating informed decision-making in the Indian business landscape.

What are the ESG initiatives of SEBI?

There are nine ESG attributes include greenhouse gas (GHG), water, and energy footprint, embracing circularity, enhancing employee well-being and safety, enabling gender diversity in business, enabling inclusive development, fairness in engaging with customers and suppliers, and openness of business.

Regulatory Framework

The rise of ESG regulations has led to the development of a regulatory framework that establishes guidelines for companies to follow in terms of ESG reporting and disclosure. This framework aims to standardize ESG reporting and make it easier for investors to compare the ESG performance of different companies. The regulatory framework includes guidelines and standards for ESG reporting and disclosure, as well as requirements for companies to establish ESG policies and procedures.

Challenges Faced in Indian scenario.

In India, the implementation of ESG regulations faces a number of challenges which can be enumerated below: -

- **Lack of standardization and comparability: -**

One major challenge is the lack of standardization and comparability of ESG reporting.

- **Awarness among companies.**

Next challenge is the lack of awareness and capacity among companies to report on ESG issues

- **Minimal regulatory framework.**

Limited Regulatory Framework is another problem.

- **Limited knowledge about importance.**

Many companies in India may not be fully aware of the importance of ESG factors.

- **Inadequate Data.**

In India, there may be limited publicly available data on ESG factors.

- **Cultural Factors.**

India has a diverse cultural landscape, and some traditional business practices may not align with ESG principles

How to make ESG more effective in India.

Companies in India should provide more comprehensive and standardized disclosures on ESG factors to enable investors to evaluate their ESG performance more effectively. The regulatory environment in India should be strengthened to promote greater ESG compliance by companies

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Meaning of ESG for power sector in India.

In India, in order to achieve ESG initiative in an effective ways initiatives like- National Green Hydrogen Mission, Energy access through RE, adoption of Pumped hydro storage technique, one sun-one world-one grid initiative, smart energy etc. are some of the important initiatives planned by power sector. Power sector is taking various steps to make energy portfolio greener by adding significant capacities of RE.

Utilising resources optimally

In India companies whether big or small, should adopt the evolving ESG frameworks to satisfy compliance criteria. Environmentally so called responsible companies must focus on sustainable sourcing, resource allocation, and optimal utilisation of resources such as fuel, raw materials, air, and water. They should pay more attention to attend issues relating to waste management, scope emissions, water consumption, 3R practices, Extended Producer Responsibility (EPR), and Life Cycle Assessment (LCA) mandates to make ESG reporting more effective and to have their contribution for society welfare and protection.

Switching to renewable energy solutions

Will help in attending energy storage for demand management, power dispatch, and renewable energy smoothing.

Streamlining people and processes

companies should allocate competent professionals to source and analyse data, create data bank, and deploy ESG data tools to streamline processes, supply chains, and customers.

Thus, considering the above facts in Indian scenario where "One Sun-One World-One Grid" Initiative which was first floated by the Prime Minister to harness tremendous potential of solar energy is taking place looks to integrate environmental and human health, collaboration and transparency, and transformation of various production modalities to realise its pledge of attaining net zero emissions in the future.

CMA KAMAL NATH THAKUR
NTPC- National Thermal Power Corporation

The role of Co Operatives in unleashing the earning potential of Rural India towards accomplishing Mission Viksit Bharat

Cooperatives, by their very nature, embody the principles of democracy, equality, and community-driven initiatives. They are not just economic entities but social enterprises that prioritize the well-being of their members and the communities they serve. We appreciate the commitment of Cooperatives to these core principles and recognize the pivotal role that the Cooperatives play in shaping a more inclusive and sustainable future.

One of the key strengths of Cooperatives lies in their ability to empower individuals and communities. Through shared ownership, Cooperative members pool their resources, knowledge, and skills to achieve common goals. Whether it's in agriculture Finance, dairying, Sugar, Fisheries, Animal Husbandry, housing, or any other sector, Cooperatives have demonstrated their ability to uplift communities, provide economic opportunities, and foster social cohesion.

In times of economic uncertainty and global challenges, the resilience of the Cooperative model becomes even more apparent. Cooperatives have proven to be adaptable and responsive, weathering storms and providing a stable foundation for their members. The Covid 19, pandemic is a live example demonstrating supremacy of the Co-operative's business model over corporates.

Furthermore, it is need of the hour to advocate for the recognition and support of Cooperatives at the national level. Policymakers, business leaders, and civil society must come together to create an environment that fosters the growth of Cooperatives, enabling them to thrive and contribute significantly to our nation's economic and social development.

Cooperatives, under the Ministry's vision, are not just economic entities but instruments of social change. Initiatives focusing on healthcare, education, and community empowerment underscore the holistic approach towards uplifting the lives of every citizen.

The recent budget announcement has provided valuable insights into the progress made in the establishment of Primary Agricultural Credit Societies (PACS) in collaboration with NABARD. We, on behalf of PHD Chamber, commends the Government's commitment to rural development, as evidenced by the strategic sharing of plans with NABARD for the establishment of PACS. This collaborative effort is poised to significantly enhance agricultural practices and empower rural communities, aligning with the broader vision of sustainable and inclusive growth.

The initiatives taken by the National Dairy Development Board (NDDB) are especially noteworthy. The ongoing process of identifying Gram Panchayats suitable for the establishment of viable dairy units through Multi-purpose PACS (M-PACS) reflects a forward-thinking approach. We appreciate the collaborative efforts with District Cooperative Banks and the Registrar of Cooperative Society, which underscores a coordinated strategy towards fostering Cooperative growth.

In the domain of fisheries, the action plan for the formation of 12,000 primary fisheries Cooperatives, coupled with the revitalization of existing ones, is a commendable step towards the economic empowerment of fishing communities. We acknowledge the meticulous monthly plan of activities, particularly in the 13 maritime States/UTs, emphasizing the importance of sustainable development in coastal fishing villages.

As we march towards a digital future, the Ministry is harnessing technology to revolutionize Cooperative operations. The introduction of digital platforms and innovative solutions ensures efficiency, transparency, and a seamless experience for all stakeholders.

A key objective of fostering collaboration between Cooperatives and Corporates. Is to create a symbiotic relationship that propels Viksit Bharat forward to achieve PM's Mission of Making India 5 Trillion by 2027.

To conclude Cooperatives stands as a symbol of unity, resilience, and shared prosperity. We should reaffirm our commitment to the Cooperative principles, explore new avenues for growth, and champion the cause of Cooperatives as powerful agents of positive change. Together, Corporates and Co-operatives can build a more just, equitable, and sustainable future for all.

Vineet Nahata

Director, Power Gilt Treasuries

Green finance:
A catalyst for positive transformation

The Perspective

Green financing is a symphony where risk management and performance measurements compose the harmonies of profit and purpose.

Since the Industrial Revolution finance has been a powerful enabler of human progress, the purpose of the global financial system is to allocate the world's savings to their most productive uses. When the system works properly, these savings are channelled into investments that raise living standards; when it malfunctions, as in recent years, savings are channelled into real-estate bubbles and environmentally harmful projects, including those that exacerbate human-induced climate change. To realize the large-scale benefits of these new technologies and avoid investments that aggravate cascading environmental crises, the finance industry will need to understand how SDGs will reshape the investment landscape. The time has come to embrace the concept of true long-term investing, which requires marshalling the capacity of institutionally mobilized capital to support investment opportunities that will secure a sustainable future for all.

UN Environment has been working with countries, financial regulators and the finance sector to align financial systems to the 2030 sustainable development agenda – to direct financial flows to support the delivery of the Sustainable Development Goals. At the core of today's globalized economy are financial markets through which banks and investors allocate capital to different sectors. The capital allocated today will shape ecosystems and the production and consumption patterns of tomorrow. The main areas for the current work on green financing are: Supporting the public sector in creating an enabling environment, Promoting public-private partnerships on financing mechanisms such as green bonds, and Capacity building of community enterprises on micro-credit. It needs no reiteration that the planet and life on it are at their tipping point, with the forces of global warming and climate change knocking on the front doors. The key challenge that has emerged in combatting such forces is financing, referred to as "green finance".

Green Finance

There is no internationally agreed definition of green finance. The term describes a broad range of funding for environment-oriented technologies, projects, industries, or businesses. A more narrow definition of green finance refers to environment-oriented financial products or services, such as loans, credit cards, insurance, or bonds. At its simplest, green finance means any structured financial activity that's been created to ensure a better environmental outcome and a more resilient future. It includes loans, debt mechanisms, and investments that are used to encourage the development of green projects, minimize the climate impact of existing plans, or a combination of both. As sustainability becomes a key element of long-term business planning, green finance can help the development and delivery of those plans across the entire operational function of a business. The systemic risk posed by the climate crisis to financial services requires decisive action and a rapid pivot towards the opportunities presented by the zero-carbon economy.

Green investing recognizes the value of the environment and its natural capital and seeks to improve human well-being and social equity while reducing environmental risks and improving ecological integrity. The Green Finance is accelerating the transition towards an environmentally sustainable and resilient economy by catalysing investment in net zero and nature positive outcomes. Green finance is a broad term that can refer to financial investments flowing into sustainable development projects and initiatives, environmental products, and policies that encourage the development of a more sustainable economy. A key element of GF is sustainable investment and banking, where investment and lending decisions are taken on the basis of environmental screening and risk assessment to meet environmental sustainability standards. Green finance is often used interchangeably with green investment. However, in practice, green finance is a wider lens including more than investments as defined by Bloomberg New Energy Finance and others. Most important is that it includes operational costs of green investments not included under the definition of green investment. Most obviously, it would include costs such as project preparation and land acquisition costs, both of which are not just significant but can pose distinct financing challenges.

Two main goals of green finance are: to internalize environmental externalities and to reduce risk perceptions. Promoting green finance on a large and economically viable scale helps ensure that green investments are prioritized over business-as-usual investments that perpetuate unsustainable growth patterns. Green finance encourages transparency and long-term thinking of investments flowing into environmental objectives and includes all sustainable development criteria identified by the UN Sustainable Development Goals (SDGs).
The key concepts of green finance are centred around achieving a sustainable and resilient economy that can address the challenges posed by climate change and promote a transition to a low-carbon economy. Examples of green finance initiatives include:
- Renewable energy and energy efficiency
- Pollution prevention and control
- Biodiversity conservation
- Circular economy initiatives
- Sustainable use of natural resources and land

Green Finance Instruments

Green finance covers a wide range of financial products and services, which can be divided into investment, banking and insurance products. The predominant financial instruments in green finance are debt and equity. To meet the growing demand, new financial instruments, such as green bonds and carbon market instruments, have been established, along with new financial institutions, such as green banks and green funds. Renewable energy investments, sustainable infrastructure finance and green bonds continue to be areas of most interest within green financing activities.

The following instruments are helping facilitate the Green Finance Initiatives. These instruments aim to channel capital towards activities that have a positive impact on the environment, climate, and society, while also providing financial returns to investors. Green finance has gained prominence as the global community seeks to address pressing issues such as climate change and environmental degradation.

Green Bonds: Green bonds are debt securities issued by governments, municipalities, corporations, or financial institutions to finance environmentally friendly projects. The proceeds from these bonds are earmarked for specific green projects, such as renewable energy infrastructure, energy efficiency upgrades, or sustainable transportation initiatives.

Green Loans: Green loans are similar to green bonds but take the form of loans rather than bonds. These loans are provided by banks or financial institutions to fund eco-friendly projects or investments in areas like clean energy, sustainable agriculture, or green building construction.

Sustainability-Linked Bonds and Loans: These financial instruments are tied to specific sustainability performance targets or key performance indicators (KPIs). If the issuer meets the predefined sustainability goals, the interest rate or repayment terms may be adjusted in the flavor of the borrower.

Green Equity Funds: These are investment funds or exchange-traded funds (ETFs) that focus on stocks and shares of companies engaged in environmentally sustainable businesses or industries. Investors can participate in green finance by buying shares in these funds.

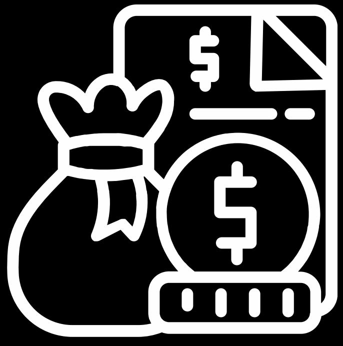
Green Mortgages: Green mortgages are home loans that offer favorable terms and conditions to borrowers who purchase energy-efficient homes or make eco-friendly renovations. These mortgages often provide lower interest rates or reduced fees.

Green Certificates and Guarantees: These financial instruments certify or guarantee the environmental attributes of a product or project. For example, Renewable Energy Certificates (RECs) represent the environmental benefits of renewable energy generated
Impact Investment Funds: Impact investment funds allocate capital to projects and businesses that aim to generate both financial returns and positive social or environmental impacts. These funds can encompass a wide range of sectors, from clean energy to affordable housing and sustainable agriculture.

Green Microfinance: Microfinance institutions offer small loans to individuals or small businesses engaged in environmentally sustainable activities, such as organic farming or clean energy distribution.

Carbon Offsets and Credits: While not traditional financial instruments, carbon offsets, and credits are mechanisms for investing in emissions reduction projects or purchasing credits to offset carbon emissions. They are commonly used by companies and individuals to compensate for their carbon footprint.

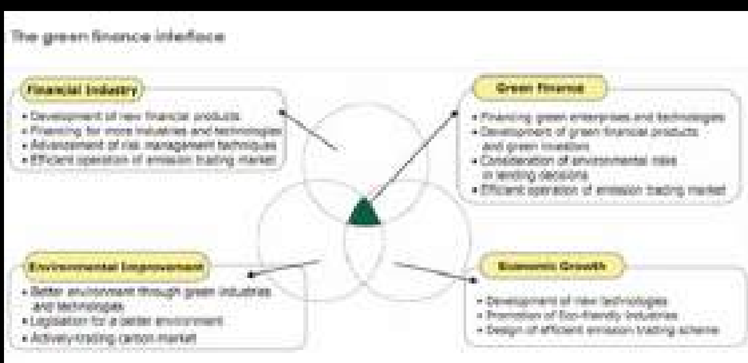
Green Insurance Products: Some insurance companies offer policies that incentivize environmentally responsible behavior, such as discounts on premiums for hybrid or electric vehicle owners or reduced rates for sustainable farming practices.



Role and importance of Green Finance

An estimated $400-600 billion per annum is needed to finance conservation of land, forests, and water, and more than $350 billion of incremental capital – to fund projects in renewable energy and energy efficiency. Today, less than 15% of required capital flows to conservation, the bulk of it coming from public and philanthropic entities. The latest accounting of climate finance shows there is a financial gap of about $70 billion. It is thus important to understand the ways we can leverage additional resources to preserve healthy ecosystems on land and in the oceans. The financial sector has an important role to play in the fight against climate change by supporting reductions in climate change risk and mitigating the impact of adverse climate events.

Generally, governments pursue the following objectives through green financing measures:· Establish and secure funding for green industries and green growth · Support low-carbon green growth by developing new financial products · Attract private investments to build and sustain green infrastructure · Strengthen corporate disclosure of green management practices and expand financial support for those businesses that apply them · Set up markets for environmental goods and services, such as carbon markets featuring carbon credits.



Green financing is to increase level of financial flows (from banking, micro-credit, insurance and investment) from the public, private and not-for-profit sectors to sustainable development priorities. A key part of this is to better manage environmental and social risks, take up opportunities that bring both a decent rate of return and environmental benefit and deliver greater accountability.

▪ **Promotes technology diffusion and eco-efficient infrastructure:** Investment in environmentally sound technologies, such as clean energy, may help bring down their costs and expedite wider technology diffusion. Developing countries can avoid the development model of "grow first, clean up later" because a great part of the green investment flows into infrastructure. This situation provides the opportunity for a country to leap ahead to eco-efficient infrastructure. The responsibility then falls on governments to develop infrastructure that will result in better long-term management of resources, which will in turn increase a country's competitiveness and channel private-sector capital into domestic green markets.

▪ **Creates comparative advantage:** Low carbon green growth may inevitably change from the current voluntary nature to a mandatory strategy in response to the rising pressures emanating from climate change and other environmental and economic crises. Expanding green finance today will mean a comparative advantage once environmental standards become stricter.

▪ **Adds value:** Businesses, organizations and corporations can add value to their portfolio by enhancing and publicizing their engagement in green finance. Thus they can give their business a green edge and thereby attract more environmentally conscious investors and clients alike.

▪ **Increases economic prospects:** Governments promoting green finance help buffer their societies against the time when resources become scarce by establishing and promoting domestic markets for alternative resources and technologies.

Green Finance: Key to India's journey towards net zero

As one of the world's largest emitters of greenhouse gases, India requires a budget of over US$10t to accomplish its net zero emissions target by 2070. Several measures are underway in the public and the private sector, leading to increased investment and financing opportunities. One of them being green finance— a sustainable or responsible finance that effectively finances projects with environmental benefits, such as reducing greenhouse gas emissions, improving energy efficiency, or enhancing the circular economy. India requires INR 15,000 crores to INR 20,000 crores of annual Foreign Direct Investment (FDI) in renewable energy alone, as per the Ministry of New and Renewable Energy's report on financial constraints in the sector. To address this, the government has authorized 100% annual FDI for renewable power generation and distribution projects. According to the government's investment agency Invest India, renewable energy projects worth US$196.98b are ongoing.

Stakeholders of India's Green Financial market

Stakeholder Group	Power Attribute	Legitimacy Attribute	Urgency Attribute
Government of India	Setting up the green financial market by regulatory actions, intervening in the market development and satisfying own financing needs	Considering the green financial market a tool to provide funding for attaining the national climate agenda	Assuming responsibility for the sentiment of the green financial market
Financial Regulators	Creating an efficient green financial market in India through the establishment of the green bond framework	Setting disclosure requirements to enhance transparency and credibility of the green bond issuances	Bearing the responsibility to regulate securities and commodity market in India
Green Bond Issuers	Designing the green bond according to his desires, including size, maturity and project linkage	Allocation of green bond proceeds towards sustainability projects	Anticipation that the market will continue providing the stakeholder with something of great value from issuance
Green Bond Investors	Providence of funding need to close the financial gap arisen from the national sustainability goal	Seeing green investment projects as means to embrace environmental consciousness	Investments in green projects that cannot be used differently, making it very difficult for stakeholder to exit the relationship

Given the government's push for sustainable development and the increasing need among businesses and investors to develop strong sustainability credentials, the Reserve Bank of India has introduced guidelines for banks and non-bank financial companies (NBFCs) to accept "green deposits". The purpose is to ensure funds are utilized for energy efficiency, clean transportation, climate change adaptation, sustainable water and waste management, green buildings, and terrestrial and aquatic biodiversity conservation. As the demand for green finance grows, India is expected to see more innovative financing solutions and investment opportunities in the green sector. While anticipating government action on green financing, including tax breaks for low-carbon technologies, policy pushes for green financing instruments etc., it is equally important for private sector organizations to adopt internal carbon pricing and promote investment in green technologies and solutions.

India's sovereign green bonds

At initial stages, green finance needs a big push by governments. The Indian government has identified projects worth ₹25,000 crore that will be financed by proceeds from sovereign green bonds issued in the current fiscal and the next as part of its green-funding push. The projects already identified for green financing are largely in renewable energy and clean transportation segments. The government had announced plans to raise ₹16,000 crore through plans to raise ₹16,000 crore through green bonds in two equal tranches in the current fiscal, and the first tranche - the country's first issuance of sovereign green bonds - in January drew a robust response, with orders exceeding the offer size of ₹8,000 crore by more than four times.

Global green finance has also started chasing Indian companies. Global development finance institutions and funds are ready to offer long-term support in the form of equity and debt at cheap rates to projects like solar energy and hydro power that help reduce the carbon footprint. In one of the recent deals, World Bank member International Finance Corporation (IFC) last week announced an about $50 million investment in a sustainability linked bond issued by Tata Cleantech Capital which finances renewable energy projects.

Slow but steady

With companies in India exploring various financing options to support the development of capital-intensive technologies such as hydrogen or carbon capture, green finance is gathering speed. Private sector companies are investing in green projects as they see the potential for long-term returns and positive environmental impact. The market for Green Social, Sustainability and Sustainability-linked (GSSS) bonds, which includes green, yellow (solar) and blue (marine) bonds, is gradually expanding. According to a report by Fitch Ratings, GSSS-linked debt bonds accounted for US$20b in the Indian debt market as of January 2023.

Challenges in raising green finance

Raising green finance, which refers to financing for environmentally sustainable and socially responsible projects and initiatives, comes with several challenges. The challenges are :

- **Lack of Awareness and Education:** Many investors and financial institutions may not fully understand the concept of green finance or the potential benefits of sustainable investments. Raising awareness and providing education about the environmental and social impacts of investment choices is crucial.
- **Data and Reporting:** Assessing the environmental and social impact of projects and investments can be complex. The availability and quality of data on sustainability metrics can vary, making it challenging for investors to make informed decisions. Standardized reporting frameworks, such as the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB), are helping address this issue.
- **Risk Assessment:** Green projects can carry unique risks, such as regulatory changes, technological obsolescence, and reputational risks. Evaluating and pricing these risks can be challenging, especially for new or innovative green investments.
- **Market Liquidity and Size:** Green finance markets are often smaller and less liquid than traditional markets. This can result in higher transaction costs and less flexibility for investors. Efforts to deepen and broaden green finance markets are ongoing.
- **Policy and Regulatory Uncertainty:** The regulatory environment for green finance can be uncertain and subject to change. Investors may be concerned about shifts in government policies or regulations that could impact the profitability of green investments.
- **Greenwashing:** Some companies or projects may falsely claim to be environmentally friendly or socially responsible to attract green finance. This makes it difficult for investors to distinguish between genuine green investments and greenwashing.
- **Access to Capital:** Access to green finance may be limited for smaller businesses or projects, particularly in emerging markets. Bridging this financing gap is essential for achieving broader sustainability goals.
- **Cost of Capital:** Green finance may come with higher upfront costs or interest rates compared to traditional financing options. Lowering the cost of capital for green projects can encourage more sustainable investments.
- **Long-Term Commitment:** Many green projects, such as renewable energy infrastructure, have long payback periods. Investors may be hesitant to commit to such long-term investments, especially if they seek shorter-term returns.
- Measurement and Verification: Verifying the actual environmental and social impact of green projects can be challenging. Developing reliable methods for measuring and verifying impact is essential for building trust among investors.
- **Market Volatility:** The green finance market can be sensitive to external factors, such as changes in energy prices, climate events, or geopolitical tensions. These factors can introduce volatility into green investment portfolios.
- **Diversification:** Achieving a well-diversified green investment portfolio can be challenging, given the limited number of green assets available. This can expose investors to concentration risks.

Green finance is emerging as a formidable catalyst for positive transformation amidst the pressing issues of climate change and environmental degradation. Green finance facilitates the transition to a greener, more sustainable, and inclusive future by channelling financial resources toward environmental and social goals. Green finance must be embraced by governments, businesses, investors, and individuals alike because it has the potential to drive sustainability and shape a greener world that benefits both current and future generations. We can pave the way to a thriving future through collaborative efforts, innovative approaches, and a collective commitment to sustainable development. To conclude, green finance is all about using funds to support projects that help protect the environment and prevent climate change. It entails investing in firms that use clean energy, such as solar or wind power, as well as projects that make our world more environmentally friendly, such as green buildings or improved public transportation systems. It also promotes firms to be more environmentally friendly by providing funding and help. To achieve all these goals, we need to be careful and smart about managing any risks to the environment or society. Last but not least, we need to make sure we are responsible and accountable for how we use green finance for sustainable development in order to create a greener future for everyone.

Conclusion

Green finance is emerging as a formidable catalyst for positive transformation amidst the pressing issues of climate change and environmental degradation. Green finance facilitates the transition to a greener, more sustainable, and inclusive future by channelling financial resources toward environmental and social goals. Green finance must be embraced by governments, businesses, investors, and individuals alike because it has the potential to drive sustainability and shape a greener world that benefits both current and future generations. We can pave the way to a thriving future through collaborative efforts, innovative approaches, and a collective commitment to sustainable development. To conclude, green finance is all about using funds to support projects that help protect the environment and prevent climate change. It entails investing in firms that use clean energy, such as solar or wind power, as well as projects that make our world more environmentally friendly, such as green buildings or improved public transportation systems. It also promotes firms to be more environmentally friendly by providing funding and help. To achieve all these goals, we need to be careful and smart about managing any risks to the environment or society. Last but not least, we need to make sure we are responsible and accountable for how we use green finance for sustainable development in order to create a greener future for everyone.

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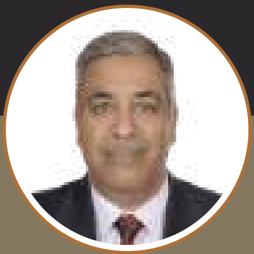


CMA (Dr.) S K Gupta

Chief Executive Office,
ICMAI Social Auditors Organization

UNVEILING ACTIVITY-BASED COSTING: TRANSFORMING FINANCIAL PERSPECTIVES

By focusing on activities that use resources, Activity-Based Costing facilitates a microscopic view on overhead costs, providing a clear picture of where and why costs occur. This nuanced understanding is pivotal for precise pricing and cost management.

Introduction to a Modern Costing Method

In a financial landscape where precision is key, Activity-Based Costing (ABC) emerges as a beacon of accuracy, turning the traditional costing methods on their head." Activity-Based Costing provides a lens through which companies can see the true cost of their products or services, by focusing on the specific activities that incur costs, rather than broad averages.

Key Elements of Activity-Based Costing: A Deep Dive

- **Activities**: The heartbeat of ABC, these are the tasks or processes consuming resources, from machine setups to processing orders.
- **Cost Pools**: Here, overhead costs find their home, grouped by the activities they're tied to, ensuring a neat organization of costs.
- **Cost Drivers**: The catalysts of cost; these factors, such as the number of setups, directly influence the cost of activities.
- **Cost Driver Rates**: This is where math meets management, calculating a rate for each cost pool to tie costs to products accurately.

HOW ACTIVITY-BASED COSTING REVOLUTIONIZES INDUSTRIES: INSIGHTS INTO MANUFACTURING AND SERVICES

THE REAL VALUE OF ABC LIES IN ITS ABILITY TO BRING TO LIGHT THE HIDDEN COSTS AND VALUE-GENERATING ACTIVITIES WITHIN BOTH MANUFACTURING AND SERVICE SECTORS, ENABLING SMARTER, INFORMED DECISIONS

Activity-Based Costing in the Manufacturing Sector: Precision in Production

ABC has rewritten the rulebook for overhead allocation in manufacturing. Traditional methods often rely on broad-strokes, like direct labor hours, which can blur the true cost picture. "With ABC, manufacturers can see the financial impact of each specific activity—from machine setup to inspection—allowing for a refined approach to pricing and cost management," explains an industry expert.

- **Impact on Pricing:** ABC provides the clarity needed to set prices that truly reflect production costs and desired profit margins.
- **Spotlight on Process Improvements:** Identifying costly activities paves the way for streamlined operations, waste reduction, and targeted automation.
- **Designing for Profitability:** Insights into cost-driving features or components empower manufacturers to engineer products for better profitability while maintaining quality.

Activity-Based Costing Impact on the Service Sector: Clarifying the Intangible

In service industries where direct costs often take a backseat to overhead, ABC shines by detailing how different services consume resources. "Services, in their variability and intangibility, present unique costing challenges that ABC adeptly addresses, making it a crucial tool for service-centric businesses," remarks a service industry veteran.

- **Improved Pricing Strategies:** Precise costing leads to pricing that accurately reflects service value.
- Enhanced Decision-Making: With a clear view of cost drivers and customer profitability, businesses can tailor their service offerings for maximum efficiency and profit.

Navigating the Challenges and Embracing Activity-Based Costing for Superior Financial Health

ACTIVITY-BASED COSTING: A PATH TO ENHANCED DECISION-MAKING

Adopting ABC isn't just about understanding costs but leveraging this understanding for strategic decision-making. "Activity-Based Costing transcends traditional cost accounting by not only identifying the exact cost associated with each product and service but also illuminating areas for strategic improvements," shares a financial strategist.

OVERCOMING ACTIVITY-BASED COSTING IMPLEMENTATION CHALLENGES

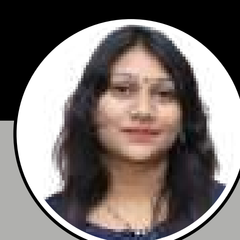
While ABC is powerful, its implementation can be met with obstacles:

- **Complexity**: ABC's detailed nature requires a comprehensive tracking setup and ongoing management.
- **Data Collection and Analysis**: The need for detailed activity data poses a challenge in terms of collection and processing.

MASTERING ACTIVITY-BASED COSTING: STRATEGIES FOR SUCCESS

- **Start Small**: Begin with a pilot project in a specific department or product line to demonstrate ABC's value.
- **Engage and Train Your Team:** Ensure that staff understand ABC's benefits, how it works, and their role in its success.
- **Use Technology**: Leverage software solutions designed for ABC to streamline data collection and analysis.

> "While the road to Activity-Based Costing may seem intricate, the journey is worth it. The visibility it provides into the true costs and profitability is unparalleled, offering a competitive edge in today's complex business environment"



CMA Madhuri Kashyap
Treasurer, NIRC of ICMAI

Navigating Technological Volatility:

The Evolving Role of Cost and Management Accountants

In an era characterized by rapid technological advancements and unprecedented market volatility, the role of Cost and Management Accountants (CMAs) has transcended traditional boundaries. Armed with innovative tools and software solutions, these professionals are contributing to predictions to ensure resilience amidst volatility. Here, we explore the cutting-edge technologies driving this evolution, illuminating their pivotal role in shaping organizational success in an era of uncertainty. Advancements in communication tools, project management software, and cloud computing have empowered teams to collaborate seamlessly across geographical boundaries.

Cost accountants excel in designing and implementing performance measurement systems. They can develop key performance indicators (KPIs) such as productivity metrics, employee engagement levels, and cost per output of products or services.

By conducting thorough cost-benefit analyses, cost accountants can help organizations make informed decisions about resource allocation to yield maximum returns. CMAs are experts at identifying cost-saving opportunities and optimizing resource allocation. They can support change management efforts by providing financial analysis and cost projections that facilitate informed decision-making and stakeholder buy-in.

Agility through Automation:
Central to the adaptability of CMAs is their embrace of automation technologies. Leveraging cutting-edge tools such as robotic process automation (RPA) and artificial intelligence (AI), they streamline routine tasks and workflows, freeing up valuable time for strategic analysis and decision-making. Software solutions like UiPath, Automation Anywhere, or Blue Prism enable them to automate repetitive processes across finance and accounting functions, from data entry to report generation. Additionally, cloud-based accounting platforms such as QuickBooks Online, Xero, or NetSuite provide real-time access to critical financial data, facilitating seamless collaboration and decision-making in a distributed workforce environment.

Predictive Precision:
Gone are the days of relying solely on historical data for forecasting. CMAs now harness the power of advanced predictive analytics tools and machine learning algorithms to anticipate market trends with unprecedented accuracy. Utilizing software platforms of Analytics such as SAP Predictive Analytics, or Microsoft Azure Machine Learning, they analyze vast datasets in real-time, uncovering hidden patterns and emerging risks. These predictive analyses empower businesses to proactively adjust their strategies in response to dynamic market conditions, gaining a crucial competitive advantage in an ever-evolving landscape.

Resilience through Risk Management:

In an interconnected global economy, effective risk management is essential for organizational resilience. CMAs leverage advanced risk management software solutions and scenario analysis tools to identify, assess, and mitigate risks across the value chain. Platforms like Oracle Risk Management Cloud, SAS Risk Management, or Riskalyze enable them to simulate various market scenarios, quantify potential impacts, and develop robust contingency plans. Cost optimization strategies driven by data-driven insights enable businesses to navigate economic uncertainties while preserving profitability and long-term sustainability.

Unlocking Strategic Value:

Beyond their traditional roles, CMAs emerge as strategic partners driving organisational growth and innovation. Leveraging their analytical prowess and technological acumen, they provide actionable insights that inform strategic decision-making at all levels of the organisation. Tools such as Adaptive Insights, Anaplan, or SAP Business Planning and Consolidation facilitate financial planning, budgeting, and forecasting, enabling organisations to adapt quickly to changing market dynamics.

By harnessing these tools and software solutions, CMAs play a pivotal role in driving efficiency, profitability, and sustainable growth in volatile environments.

In conclusion, the evolving role of CMAs in an era of technological volatility is defined by their adeptness in leveraging cutting-edge tools and software solutions to navigate uncertainty and drive organisational success. By harnessing the power of predictive analytics, automation, risk management, and strategic planning tools, these professionals empower organisations to thrive amidst volatility, emerging as catalysts for innovation and resilience. As we continue to navigate the complexities of the modern business landscape, the transformative impact of these tools and software solutions cannot be overstated, shaping the future of finance, and driving sustainable success on a global scale.

Disclaimer:

"The mention of any software tools in this article does not constitute an endorsement or recommendation by the author or publisher. Readers are advised to conduct their own research and consider their specific needs before making any decisions regarding software usage."

CMA Pradnya Chandorkar

FCMA Practicing Cost Accountant

The author has 25+ years of experience in the field of Costing & Management Consultancy.

TAX IMPLICATION OF NON-RESIDENT's UNDER GST

Goods and services tax (GST) was introduced in India to make compliances user-friendly and avoid multiplicity of taxes. It aims to promote digitalization and increase efficiency through automation of compliance. The registration process introduced under GST is smooth and convenient. There are separate sets of provisions for registration, returns, refunds, etc. for domestic taxpayers and for non-resident taxable persons.
India has seen massive industrial development over the past two decades. Investments by non-resident Indians in India have accelerated the growth of the Indian economy. Various steps have been taken by the Indian government to help facilitate trade and business for NRIs. This has prompted the non-resident Indians to consider India as a viable destination to invest in and earn profits. Investments by NRIs in India have accelerated the growth of the Indian economy.

Section 2(77) of CGST Act defines Non-resident taxable person as any person who occasionally undertakes transactions involving supply of goods /services, whether as principal/agent/in any other capacity, but who has no fixed place of business/residence in India.
A non-resident taxable person making taxable supply in India has to compulsorily take registration. There is no threshold limit for registration. A non-resident taxable person cannot exercise the option to pay tax under composition levy. He has to apply for registration at least five days prior to commencing his business in India using a valid passport (and need not have a PAN number in India). A business entity incorporated or established outside India, has to submit the application for registration along with its tax identification number or unique number on the basis of which the entity is identified by the Government of that country or its Permanent Account Number, if available.

Registration Requirement of NRTP
Section 24 of the GST law specifies a mandatory requirement for registration for a non-resident taxable person without any threshold limit. Therefore, the minimum threshold limit of Rs. 40 lakh/ 20 lakh is not available to Non-Resident Taxable Person. Hence, any Non-resident, who is falling in the definition of Non-Resident Taxable Person, is required to obtain GST Registration irrespective of whether the business is involved in a one-time transaction or frequent taxable transactions.

Registration Procedure for a Non-Resident Taxable Person

- Every person, who falls within the definition of Non-Resident Taxable Person, has to apply for GST registration at least 5 days prior to the commencement of business.
- For GST registration, NRTP shall have to provide its Tax ID or Unique number of its own country.
- NRTP need not to have a PAN of India and it can use its valid passport instead.
- Application for registration need not be like normal applicants. Application can be submitted in simplified form ie REG-09.
- In relation to NRTP GST registration initially a temporary reference number gets generated electronically by the Common Portal. The purpose of this temporary number is to advance deposit of tax in his electronic cash ledger and an acknowledgment will be issued thereafter.

Provision regarding Returns and payments

As per Rule 63 of CGST Rules The NRTP shall furnish a return in FORM GSTR-5 electronically through the common portal, including the details of outward and inward supplies. Further, he shall pay the tax, interest, penalty, fees, or any other amount payable under the Act within 20 days after the end of a calendar month or within 7 days after the last day of the registration validity period, whichever is earlier.
Provision regarding Refund

The amount of advance tax deposited by a non-resident taxable person at the time of initial registration/ extension of registration will be refunded only after the person has furnished all the returns required in respect of the entire period for which the certificate of registration granted to him had remained in force.

GST Advance Tax Payment by Non-Resident Taxable Person

GST Provisions provide that a non-resident taxable person is required to make an advance deposit of GST. This advance payment of tax shall be of an amount equivalent to the estimated tax liability of such person for the period for which registration is sought.

- At the end of the GST registration period on submission of final returns, any tax, that is excess paid, shall be refunded to the NRTP.
- The non-resident taxable person can extend the GST registration period, which the NRTP initially applies. An application using the form GST REG-11 should be furnished electronically on the GST Common Portal.

Input tax credit to Non-resident

- Section 17(5) (Block input tax credit) restrict the input tax credit on the supply received by non-resident in India, however he is free to take input tax credit of goods imported from outside India

OIDAR Services under GST

OIDAR Services or Online Information and Database Access or Retrieval (OIDAR) Services relate to the delivery made through the internet or electronic network with automated supply and minimal human intervention. With the tremendous growth in cloud technology and SAAS based products in India over the last decade, more and more services are being introduced by Indian and Non-Resident Taxable Persons, which would fall under the classification of OIDAR services.

- **LIST OF OIDAR Services**

The IGST Act defines OIDAR Services as delivering services by mediating with information technology over the internet or an electronic network and the nature of which renders their supply essentially automated and involving minimal human intervention, and impossible to ensure in the absence of information technology. Some examples of OIDAR services include:

1. Online advertising service providers
2. Website supply, web hosting, distance maintenance of programs and equipment
3. Cloud service providers
4. Supply of e-books, software and other intangibles via telecommunication networks or the internet
5. Providing data or information, retrievable or otherwise, to any person, in electronic form through a computer network
6. Digital data storage services
7. Online gaming services
8. Supply of music, films of political, cultural, artistic, sporting, scientific, and entertainment broadcasts and events.
9. Supply of Teaching Services.

- **GST Registration for OIDAR Service Providers**

Any entity providing OIDAR services is required to mandatorily obtain GST registration in India, irrespective of the aggregate turnover criteria. The following types of taxable persons are required to obtain GST Registration mandatorily and OIDAR service providers are one of them:

1. Persons making any inter-state taxable supply;
2. Casual taxable persons;
3. Persons required to pay tax under reverse charge;
4. Electronic commerce operators;
5. Non-resident taxable persons;
6. Persons required to deduct tax;
7. Persons who supply goods and/or services on behalf of other registered taxable persons whether as an agent or otherwise;
8. Input service distributor (whether or not separately registered under the Act)
9. Persons required to collect the tax;
10. Electronic commerce operator
11. Every person supplying online information and database retrieval services from a place outside India to a person in India, other than a registered person;

Hence, most OIDAR service providers even outside India providing services to residents in India shall mandatorily obtain GST registration by virtue of being classified under one or more of the above categories.

- **SERVICES TO BE TREATED AS OIDAR:-**

Any service can be treated as OIDAR service if it qualifies under two cumulative conditions. If the service fails even one of the two conditions, it will not be categorized under OIDAR.

The two conditions are as follows:

1. Whether the provision of service is mediated by information technology over the internet or an electronic network?
2. Whether it is automated and impossible to ensure in the absence of information technology?

- **GST applicability on OIDAR services**

The taxability of OIDAR services is dependent on the location of the recipient and GST liability is determined accordingly:

1. If both the supplier, as well as the recipient, are in India, then GST will be applicable and will be charged on the basis of forward charges.
2. If the supplier is outside the taxable territory, and the recipient located in India is registered under GST, then GST will be applicable. Furthermore, payment of goods and service tax will be on reverse charge
3. If the recipient is residing in India, but is not registered under GST, and the supplier is outside the boundaries of India, then GST will be applicable, and payment for goods and service tax will be on forward charge basis. When an unregistered, non-taxable person in India imports the OIDAR services, the supplier located outside India will make the payment for such tax on forward charge
4. If both the suppliers, as well as recipients, are not located in India, then no GST will be applicable.
5. If the supplier is residing in India, but the recipient is located outside the taxable territory in India, no GST will be applicable to the export service.

- **Who will be responsible for paying the tax?**

1. **Recipient under reverse charge:** Under this mechanism, the recipient of the service is liable for the payment of GST. Hence, all registered business entities receiving OIDAR services in India are required to pay GST when the supplier of such service is located outside India. This is mainly to protect domestic service providers.
2. **Supplier/Intermediary:** Where OIDAR Services are provided from a non-taxable territory to a non-registered person or individual.
3. **Intermediary:** Sometimes OIDAR products are not owned or belong to the portal or app where it is available for sale but such intermediaries are facilitating entire transaction on purchase of such software/music or other OIDAR products.

- **Registration process for OIDAR service providers**

1. OIDAR service providers located in India: OIDAR service providers located in India can obtain GST Registration through the normal procedure by applying through the GST portal.
2. OIDAR service providers located outside India: All OIDAR service providers supplying services to residents in India and not located in India are also required to comply with GST regulations. Any OIDAR service provider supplying services from a location outside India to a non-taxable online recipient is required to obtain GST registration by filing GST REG-10. The application for GST Registration for OIDAR service providers can be submitted electronically with a self-attested copy of valid passport of the promoters and tax identification number or unique identification number issued by the foreign Government or PAN.

The application for GST registration must be submitted at least five days prior to the commencement of business in India.
Foreign companies can appoint a representative in India for obtaining GST registration, filing GST returns and paying GST payments on behalf of the foreign entity.

REFUND OF IGST PAID ON SUPPLY OF GOODS TO INTERNATIONAL TOURISTS LEAVING INDIA UNDER SECTION 15 OF IGST ACT.

The integrated tax paid by a tourist leaving India on any supply of goods taken out of India by him shall be refunded and subject to such conditions and safeguards as may be prescribed.

Eligibility to claim Refund:-

To claim a Refund, a person seeking a refund must be a Tourist as per the definition of the IGST Act.
Here The term "tourist" means a person not normally resident in India, who enters India for a stay of not more than six months for legitimate non-immigrant purposes. Here the purpose of Stay is a Key factor to be taken into Consideration.

- The outbound passenger leaving India accompanied by goods purchased on which GST is paid during their stay in India on which IGST has been paid are entitled to claim a Refund while leaving India.
- The outbound passenger is entitled to claim a refund of Only IGST paid on goods purchased during their stay in India.
- A foreign Nationality person who came to India on a work permit and Staying in India for a period exceeding six months will not be categorized as Tourist for IGST and, therefore not eligible for a Refund of IGST.
- The Refund is not available on services used by the outbound passenger while his stay in India, Eligibility for Refund is only on the Goods being taken along while leaving India.
- The tax to be collected by India on Goods and Services where such consumption took place. The Goods which are taken along by the outbound passenger/tourist cannot be considered to be consumed in India and eligible for Refund as goods are considered as Export.
- The Supplier needs to take the proof of passport and visa of such tourist and then arrange to charges IGST on goods supplied to such tourist. The passport and copy of Visa as evidence with the supplier for the basis for charging IGST.
- As per Section 15 of the IGST Act Indians on work permit Coming to India for short duration cannot be considered as Tourist for the purpose of claiming refund of IGST. Indians on work permit in other countries will remain Indian Immigrants.

Tourists as per Section 15 of IGST Act includes :-

- Foreign Diplomats on Official duty in India.
- Foreign Artists, Musicians and Actors visiting India to perform Shows.
- Crew of International Conveyance entering and existing India within short duration.
- Foreign Sports person Visiting India for participating in tournaments or training process.
- Foreign Journalist and camera Crew Visiting India.

Needless to say, GST is certainly one of the path breaking tax reforms of India. In fact, the Finance Minister is positive about GST revenue collection. He said that the GST revenues have been upbeat. This was despite the major GST rate reductions and benefits given to non-residents. It would be like a piece of cake for assessing taxability and decision making for the Indian government as well as non-resident investors.

CA Preity Nagi
Practicing Chartered Accountant,
Corporate Trainer

INSOLVENCY AND BANKRUPTCY CODE, 2016 AND ITS IMPACT ON INDIAN ECONOMY

INTRODUCTION:

In 2016, India embarked on a significant endeavor to rejuvenate its economy through the introduction of the Insolvency and Bankruptcy Code (IBC). This landmark legislation aimed to streamline the resolution of insolvency and bankruptcy issues, fostering an environment conducive to business growth and economic stability. Since its inception, the IBC has become a pivotal tool in India's economic framework, providing a sturdy structure for creditors and debtors while boosting investor confidence and promoting financial discipline.

Before the implementation of the IBC, matters pertaining to Insolvency and Bankruptcy were governed by multiple laws, leading to a fragmented approach. Various statutes, including the Sick Industrial Companies (Special Provisions) Act, 1985; the Recovery of Debt Due to Banks and Financial Institutions Act, 1993; the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002; and the Companies Act, 2013, regulated these issues. Additionally, different bodies such as the Board of Industrial and Financial Reconstruction (BIFR), Debt Recovery Tribunal (DRT), and their respective Appellate Tribunals were tasked with handling such cases. Furthermore, the liquidation of companies fell under the jurisdiction of the High Courts. Individual bankruptcy and insolvency matters were governed by the Presidency Towns Insolvency Act, 1909, and the Provincial Insolvency Act, 1920, with the courts responsible for their resolution. This decentralized system resulted in a cumbersome and inefficient process.

STREAMLINING INSOLVENCY PROCEEDINGS:

The Insolvency and Bankruptcy Code (IBC) was primarily designed to expedite the resolution of distressed assets, minimizing the delays and uncertainties inherent in insolvency proceedings. The previous framework for insolvency and bankruptcy was slow, inadequate, and inefficient, resulting in considerable delays in resolving financial distress. Without comprehensive legislation, companies often remained in distress for extended periods, causing substantial losses to creditors, stalling economic activity, and allowing assets to deteriorate without maintenance.

The IBC introduced a consolidated and time-bound process for Insolvency Resolution, offering a clear path forward for all involved parties. Additionally, the aim of the Insolvency and Bankruptcy Code, 2016, was to consolidate and update laws governing the reorganization and resolution of insolvency across corporate entities, partnership firms, and individuals, all within predefined time-frames, with the objective of maximizing asset value. The establishment of the Insolvency and Bankruptcy Board of India (IBBI) brought expertise and efficiency to insolvency proceedings, while the National Company Law Tribunal (NCLT) functioned as the Adjudicating Authority, ensuring fairness and transparency in resolution processes. Moreover, the IBBI, as the regulatory body, oversees the implementation of the IBC. The appointment of a dedicated individual, known as a "Resolution Professional," ensures that the resolution process is conducted in an organized manner.

STATUS OF NON PERFORMING ASSTES (NPAS):

The Government of India's Ministry of Finance, through a Press Information Bureau release dated July 24, 2023, highlighted that extensive actions have been implemented by both the government and the Reserve Bank of India (RBI) to address and diminish non-performing assets (NPAs), including those linked to corporate entities. These efforts have resulted in a cumulative recovery of Rs. 10,16,617 crore (as per provisional data from the RBI for the fiscal year 2022-23) by Scheduled Commercial Banks (SCBs) over the past nine financial years. The measures undertaken encompass various strategies, including but not limited to:

i. "Change in credit culture has been effected, with the Insolvency and Bankruptcy Code, 2016 (IBC) fundamentally changing the creditor-borrower relationship, taking away control of the defaulting company from promoters/owners, and debarring wilful defaulters from the resolution process. To make the process more stringent, personal guarantor to corporate debtor has also been brought under the ambit of IBC."

As at the end December, 2023, NeSL has issued about 1,19,440 RoDs under corporate segment to support the Insolvency and Bankruptcy Code, 2016. Figure below provides details of the registered users and information with NeSL, as submitted by it.

Figure 21: Details of information with NeSL

UNLOCKING VALUE FROM DISTRESSED ASSETS:

One of the primary focuses of the IBC is on revitalizing viable businesses rather than resorting to liquidation. Through facilitating the sale of insolvent businesses as ongoing concerns or restructuring their operations, the code aims to safeguard enterprise value and minimize value erosion for creditors. Utilizing mechanisms like corporate insolvency resolution plans (CIRPs) and liquidation proceedings, the IBC enables the effective redistribution of resources, enabling viable businesses to flourish while ensuring equitable treatment for creditors.

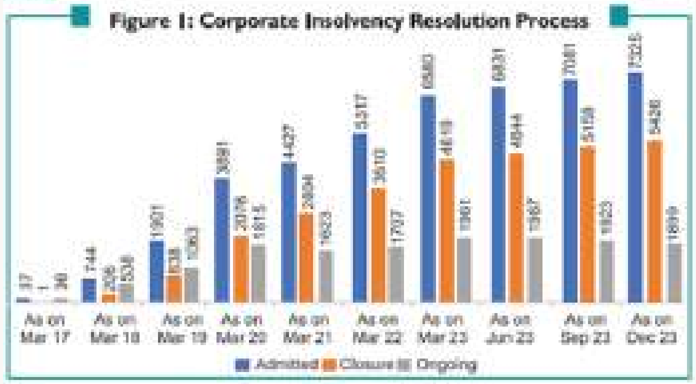
The introduction of the corporate insolvency resolution process (CIRP) is aimed at striking a balance among the interests of all stakeholders and creditors. Under this process, a Resolution Professional assumes control of the distressed company's affairs under the supervision of the committee of creditors. They invite Prospective Resolution Applicants for the Corporate Debtor to craft a Resolution Plan, seek approval from the Creditors' Committee, and present it to the Adjudicating Authority for endorsement in accordance with the IBC. Importantly, individuals responsible for placing the Corporate Debtor in insolvency are barred from becoming resolution applicants if they are disqualified under section 29A of the IBC. The IBC places emphasis on maximizing asset value and encourages involvement from potential investors and buyers through a transparent bidding process. This has resulted in heightened interest from both domestic and international investors, who perceive opportunities in acquiring and revitalizing financially distressed companies. Through the revival of viable businesses, the IBC has preserved employment opportunities, safeguarded creditors' interests, and injected fresh capital into the economy.

As per the Quarterly Newsletter of the Insolvency and bankruptcy board of India October-December 2023, the details of CIRP cases admitted and closed as at the December 2023 are given in the below tables and figures:

Table 1: Details of CIRP cases as on December 31, 2023

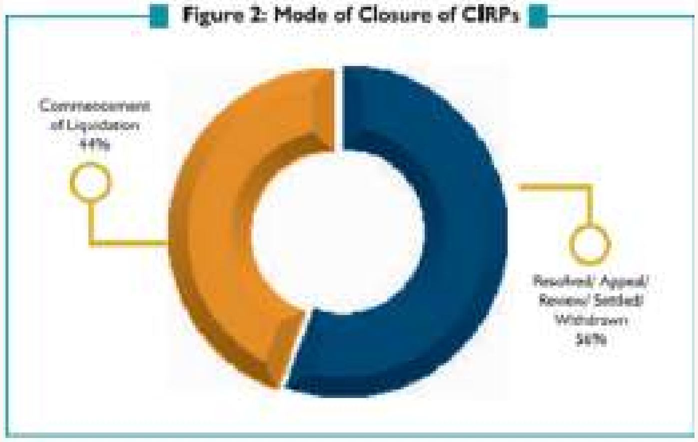
CIRP cases	Number
Admitted	7325
Withdrawn under section 12A	1035
Closed on appeal or review or settled	1124
Resolution plans approved	891
Liquidation orders passed	2376
Ongoing CIRP cases	1899

Figure 1: Corporate Insolvency Resolution Process



Note: These CIRPs are in respect of 7032 CDs.
This excludes 1 CD which has moved directly from Board for Industrial and Financial Reconstruction (BIFR) to resolution.
Source: Compilation from website of the NCLT and filing by IPs.

Figure 2: Mode of Closure of CIRPs



Furthermore, for those cases that did result in liquidation, it provided a meaningful resolution instead of being mired in ongoing litigation or stuck without a clear path forward. Additionally, numerous companies have been acquired as going concerns during the liquidation process, even if a revival plan wasn't achieved during the CIRP. Previously, businesses faced demise due to cumbersome and time-consuming processes. However, with the introduction of the Insolvency and Bankruptcy Code, 2016 the efficient and swift procedures have encouraged prominent corporate entities and investors to step in as resolution applicants, aiming to revive distressed companies.

CHALLENGES:

While the Insolvency and Bankruptcy Code, 2016 (IBC), represents a significant advancement for India's insolvency framework, it does encounter certain challenges that require attention to ensure its ongoing effectiveness and efficiency. One notable challenge is the increasing workload faced by the Adjudicating Authority for corporate insolvency cases under the IBC.
Another aspect of the resolution process is its perceived bias towards financial creditors over operational creditors. The National Company Law Appellate Tribunal has suggested that the government and the IBBI should explore providing some minimum entitlement to operational creditors, based on the amount realized in the resolution plan above the liquidation value.

HOW IBC 2016 HAS IMPACTED INDIAN ECONOMY:

- The IBC has significantly expedited the resolution of distressed assets by providing a consolidated and time-bound process for insolvency resolution. This has minimized delays and uncertainties, thereby preventing substantial losses to creditors and reviving economic activity.

- By fundamentally altering the creditor-borrower relationship, the IBC has instilled a culture of credit discipline, promoting responsible borrowing and lending practices. The code's stringent measures, such as taking control away from defaulting promoters and debarring wilful defaulters, have strengthened creditor rights and mitigated financial risks.

- The transparent and efficient insolvency framework provided by the IBC has bolstered investor confidence, both domestic and international. As a result, India has witnessed increased inflows of foreign investment, driving economic growth, fostering innovation, and creating employment opportunities.

- One of the primary objectives of the IBC is to maximize the value of distressed assets through mechanisms such as corporate insolvency resolution plans (CIRPs) and liquidation proceedings. By facilitating the sale or restructuring of insolvent businesses, the code preserves enterprise value and minimizes value erosion for creditors.

- Through the revival of viable businesses, the IBC has preserved employment opportunities, safeguarded creditors' interests, and injected fresh capital into the economy. This has contributed to overall economic stability and growth.

- By providing a robust legal framework for resolving insolvency issues, the IBC has encouraged entrepreneurship and risk-taking. Entrepreneurs are now more confident in pursuing business ventures, knowing that there are effective mechanisms in place to address financial distress if it arises.

CONCLUSION:

In the short span since its introduction, the Insolvency and Bankruptcy Code 2016 has emerged as a cornerstone of India's economic rejuvenation endeavors. Through its streamlined insolvency processes, promotion of credit discipline, attraction of foreign investment, unlocking of value from distressed assets, and improvement of the business environment, the IBC has significantly contributed to enhancing the resilience and competitiveness of the Indian economy. As India confronts the challenges of a rapidly changing global landscape, the IBC underscores the nation's dedication to fostering a strong and dynamic business ecosystem.
The IBC has been transformative for India's economic terrain, fostering an environment conducive to entrepreneurship, strengthening creditor rights, and promoting a culture of accountability and effective governance. Notably, the legislation has not only facilitated the resolution of distressed assets but has also stimulated investments, revitalized businesses, and injected liquidity into the economy. With ongoing reforms and persistent efforts to fortify the insolvency framework, the IBC is poised to remain a driving force behind India's economic expansion, unlocking its vast economic potential.

CMA Sandeep Goel
Insolvency Professional
Managing Partner, Stalwart Resolution Professional LLP

E –RUPEES AND ITS EFFECT ON THE INDIAN ECONOMY

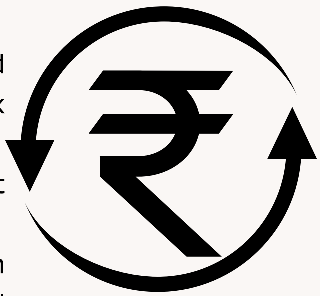
WHAT IS E- RUPEES/DIGITAL RUPEES

Rupees is the legal tender currency of the Republic of India.Rupees are being used by India's Central Bank,officially known as Reserve Bank of India' in different denominations to be used as a monetary medium of exchange.

Digital Rupees is the electronic version of Indian Rupees, having equilant value as legal tender and is also issued by India's RBI as 'Central Bank Digital Currency'.E- Rupees are also available in all denominations like the Indian currency notes and coins are available.

In the attempt to make a tectonic shift in the currency circulation and to adhere more transparency to the economic system ,the Govt. of India has introduced the concept of E- Rupees in the year 2022.The aim is to zero out corruption ,bring more transparency,making exchange of money more safe and secure with enhanced financial inclusion.National Payment Corporation of India [NPCI] is the nodal agency behind the campaign of digital currency [E-Rupees]in India.

FACTORS THAT PUSH E- RUPEES IN INDIA



1. Digitalization and technology upgradation.
2. Cheap Internet connectivity and remote coverage of network towers.
3. Cheap internet and access of smart phones.
4. Circumstances like demonetization of currency notes by Central Government in the year 2016 .
5. A big push by COVID- 19 pandemic Of 2019-20 to go for cashless and contactless transactions without exchanging physical money with each other.
6. Safe and smooth payments methods like UPI,BHIM &NPCI.
7. Thousands of electronic wallets are available online that are used by people for meeting their money exchange needs digitally.

Modi Govt. is regulating all the payment gateways and ensuring financial digitalization of its citizens. With the success of these initiatives, Government and RBI stepped another historic move by launching digital Rupee in the service of their countrymen.

WHY DO WE NEED E- RUPEES

The adoption of technology in different field is not rampant because it only ease our routine lifestyle; it is rather because technology plays a stellar role in cutting down the cost as well.The physical mode of currency which is in wide use in India,have its sound printing and mindset cost . According to a data taken from

Indiaheraid.com report,the Reserve Bank of India have to pay higher cost of printing 200 Rs note,than printing 500 Rs note. The rising price of paper have increased the printing cost for the paper currency.The report data clearly indicate the following informations.

S. No	Currency Denomination	Cost of Printing Per 1000 notes
1.	10 Rs Note	Rs 960
2.	20 Rs Note	Rs 950
3.	50 Rs Note	Rs 1130
4.	100 Rs Note	Rs 1770
5.	200 Rs Note	Rs 2370
6.	500 Rs Note	Rs 2290

If we focus on above table, we will find that the printing cost of 1000 notes of currency denominations of Rs 200 ,is the expensive one, among all the other discussed denominations. Also the currency printing cost is subject to inflation as well. Which means every year the printing cost go up from the level they were last year, due to increased prices of their inputs. So there is a need of a solution that is unaffected with any sort of inflation or increased printing charges/paper charges year after year. E – Rupee need now comes into picture.

With above small table you can estimate the huge cost burden, which our economy is currently bearing because of this physical currency burden. Imagine that if each and every denomination were to be available in digital format, crores of Rupees can be saved by Indian Economy. If E- Rupees can save a lot of money in an aggregate, India must make smart choices of pushing E- Rupees on an immediate basis.

FUTURE PROSPECTS OF E-RUPEES

The future of E- Rupees is vibrant and positive for India, but RBI need to address some really essential issues for its future prospects. These are as follows

1. Address the digital divide of country.
2. increase awareness about digital currency.
3. Improve the rate of adoption for E- Rupees, especially among the elderly population.
4. Basic facilities to masses like internet,mobile,bank account,digital wallet ,basic digital literacy.

CONCLUSION

E- Rupees will be the vibrant future of India's currency system.And one day probably every Indian pocket will be having the digital wallet filled with E- Rupees.If things goes as planned ,we will be having pan- India accessof E- Rupee in the next decade around 2030.

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CMA ANJU TYAGI

Ex-Finance Consultant, Mazars Botwana

Tax Implication on GIFTs- a brief analysis

Background & History of GIFT Taxation in India

Gifting culture in India has always been thoughtful. The act of gifting continues its legacy as a gesture that creates bonds and affection in relationships. There is always an intention behind act of giving, be it natural love & affection, sense of social values, special occasions, festivals, celebrations, as a token of blessings, tax planning etc. etc..

There is always exist a tax regulation behind every act or transaction having financial implication and most importantly, Gift has always been subject to tax, barring only few exceptions. Further, every law gets modified with time and necessity. India had traditional law of taxing Gifts under GIFT Tax Act 1958, which was abolished in year 1998. After few years, in 2004 The Income Tax Act 1961 was amended to include taxing rights on such gifting type transaction under the Income Tax act under the head Income from other sources(IFOS). Initially, such transactions were limited to only monetary sum with lower threshold in hands of certain assessees. The IT Act amended with time to time and now it covers taxation on receiving of assets (sum of money, any immovable property and property other than immovable property) in hands of any type of assessee(Individual, HUF, LLP, Company, Trust etc..), without consideration or with inadequate consideration.

Presently, Section 56(2)(x) of The Income Tax Act postulates with the provisions of such taxation and largely covers quite a few transactions which can be taxed. In this article emphasis is given to cover implication from individual taxation perspective.

Prominent provisions of Section 56(2)(X)

The section doesn't specifically provide definition of Gift but forms right of taxation on receiving any sum of money, movable property and property other than moveable property without consideration or with inadequate consideration subject to certain threshold and exclusions. From the perspective of taxation under the IT Act, gifts can be classified under following heads:

- Sum of money or Monetary gift received in the form of cash, cheque, draft, bank transfer, etc.
- Movable property such as shares, bonds, jewelry, sculptures, paintings, etc.
- Immovable property like building, land, residential/commercial property etc.

Further, taxing rights under the act have been properly intended to consider Indian social, cultural and emotional values and therefore, several such transactions have been kept out from taxation. Following transactions are out of the ambit of taxation :-

1.. **GIFT between related persons – Fully exempt**

Relation based exemption

When something is gifted because of their benevolence towards or emotional attachment to the recipient. Gifts of this kind are usually between family members or relatives such as from parent to child, spouse of individual, siblings and extended families. IT Act duly provides immunity from tax on such type of gifting transactions between relatives as prescribed under the Act. Gifting transaction with relatives will be outside the ambit of taxation irrespective of threshold value and occasion.

Gifting transaction with following relatives will be exempt from taxation u/s 56(2)(x) :

Sl No.	Relation Type
1	Husband or wife
2	Father or mother, son or daughter, grandson or granddaughter, grandfather or grandmother, great grandfather, great grandmother
3	Brother, sister, Sister's Husband, Brother's Wife, Wife's Brother, Wife's Sister, Husband's Brother, Husband's Sister, Husband's Brother's Wife, Wife's brother's wife
4	Mother's Sister, Mother's Sister Husband, Mother's Brother, Mother's Brother's Wife, Father's Brother, Father's Brother's Wife, Father's Sister's Husband, Father's Sister, Daughter's Husband, Son's Wife, Wife's Father, Wife's Mother, Husband's Father, Husband's Mother
5	Wife's Grand Father, Husband's Grand Mother, Husband's Grand Father, Wife's Grand Mother, Wife's Great Grand Father, Husband's Great Grand Mother, Husband's Great Grand Father, Wife's Great Grand Mother

1. **GIFT between unrelated person – taxable in hands of recipient subject to following exemptions**

- **Occasion based exemption**

Marriage in India holds significant importance in society, and it is considered a sacred foundation and a vital aspect of life. It is considered a major milestone of life on an individual as well as for their families. Gifting to a married couple on their marriage has high cultural value. Thus, gifts received on the occasion of the marriage of the individual are not subject to tax.

Apart from marriage there is no other occasion when gifts received are exempt. Thus, gifts received on any other occasions such as birthdays, anniversaries, etc. will be subject to tax. Marriage gift includes in form of sum of money as well in form of property movable or immovable

- **Threshold-based exemption**

There may be n number of occasions when gifts, as a token of blessing are exchanged in society. Keeping the social tradition in mind, a value-based threshold has been provided in the IT Act.

Gifts have been made taxable only if aggregate value of such gifts is more than Rs. 50,000 during the financial year.
Above threshold is aggregate value of gift received during the year, it can be single time or multiple times, from a single person or multiple person.
If the aggregate value of gifts received during the year exceeds Rs. 50,000, then the total value of all such gifts received during the year will be taxable, not the amount in excess of Rs. 50,000.
Limit of Rs.50,000 is available for separately for sum of money i.e. monetary item, movable property and property other than moveable property.

- **Other main exemptions**

1. Sum of money or property received under a will or by way of inheritance;
2. Sum of money or property received in contemplation of death of the payer;
3. Sum of money or property received by way of transaction not regarded as transfer under section 47 of the IT Act;
4. Sum of money received on account of expenditure incurred on illness related to COVID-19, subject to certain conditions;
5. Gift received from an individual by a trust created or established solely for the benefit of relative of the individual;

- **Valuation rules for taxing gifts**

1. Monetary Gifts – Any sum of money received (aggregate value of such sum of money received during the year exceeds Rs. 50,000.) and the sum of money is received without consideration by an individual, it will be charged to tax.
2. Movable Property without consideration – The Fair market value of such property is taxable only if Fair market value (FMV) of such property is more than Rs 50,000. FMV of such property is required to be calculated as per Rule 11UA of the IT Act.
3. Movable Property with consideration – The amount is taxable only if the fair market value of the gifted property exceeds the purchase price by more than Rs. 50,000. The amount that is taxable is the difference between the fair market value and the purchase price of the property.
4. Immovable Property without consideration – The Stamp Duty value of such property is taxable only if the Stamp Duty value of such property is more than Rs 50,000.
5. Immovable Property with consideration – The amount is taxable only if the Stamp duty value of the gifted property exceeds the purchase price by more than Rs. 50,000. The amount that is taxable is the difference between the stamp duty value and the purchase price of the property.

Conclusion : Any individual receiving gift should examine tax implication properly and pay tax on taxable gifts. Most importantly, an individual should maintain proper and relevant details of gifts received even in case of exempt gifts. Furthermore, gift transaction should properly be reported in ITR.

CMA CS Pramod Kr.Agarwal
Dy.General Manager, Finance & Accounts- Taxation,
GAIL India Limited

Navigating the Path to the USA: A Guide for Aspiring Immigrants from India

For many individuals in India, the dream of immigrating to the United States represents an opportunity for personal and professional growth, access to world-class education, and the pursuit of the American dream. However, navigating the complex immigration process can be daunting. In this guide, we outline the steps and strategies for aspiring immigrants from India to fulfill their dream of relocating to the USA.

Understanding Visa Options

- Student-Based Visas: One of the most common routes for Indian students seeking to study in the USA is the F-1 student visa. This visa allows individuals to pursue academic or language training programs at accredited institutions in the United States. The J-1 Exchange Visitor Program also offers opportunities for cultural exchange and educational programs, including internships and research programs.
- Employment-Based Visas: For skilled professionals seeking employment opportunities in the USA, H-1B visas are often the most common route. These visas are reserved for individuals with specialized knowledge or expertise in fields such as technology, engineering, and healthcare. Additionally, the EB-2 and EB-3 immigrant visas are available for individuals with advanced degrees or exceptional abilities in their field.
- Family-Based Immigration: Individuals with close relatives who are U.S. citizens or lawful permanent residents may be eligible for family-based immigrant visas, such as the IR (Immediate Relative) and F (Family Preference) visas. These visas allow family members to sponsor their relatives for immigration to the USA.
- Investor Visas: The EB-5 Immigrant Investor Program offers a pathway to permanent residency for individuals willing to invest a significant amount of capital in a qualifying U.S. business. This program requires a minimum investment of $1.8 million, or $900,000 in targeted employment areas.

Preparing for the Immigration Process

- Research and Education: Before beginning the immigration process, it's essential to research the various visa options available and understand the requirements and eligibility criteria for each visa category. Consulting with an immigration attorney or accredited representative can provide valuable guidance and support.
- Gathering Documentation: The immigration process typically requires a significant amount of documentation, including proof of education, work experience, financial resources, and relationship to any sponsoring relatives. It's important to gather and organize these documents accurately to avoid delays or complications.
- English Proficiency: For many visa categories, demonstrating proficiency in the English language is a requirement. Taking standardized English proficiency tests such as the TOEFL or IELTS and obtaining a competitive score can enhance eligibility for certain visa programs.

Navigating the Application Process

- Submitting the Application: Once all documentation is gathered and eligibility requirements are met, applicants can begin the application process by submitting the required form called "DS-160" and supporting documents to the appropriate U.S. Citizenship and Immigration Services (USCIS) office or consulate.
- Interview and Biometrics: Depending on the visa category, applicants may be required to attend an in-person interview at a U.S. embassy or consulate in India. Additionally, biometric data, including fingerprints and photographs, may be collected as part of the application process.
- Waiting Period: The processing times for immigration applications can vary significantly depending on the visa category and current immigration policies. It's important to monitor the status of the application regularly and be prepared for potential delays.

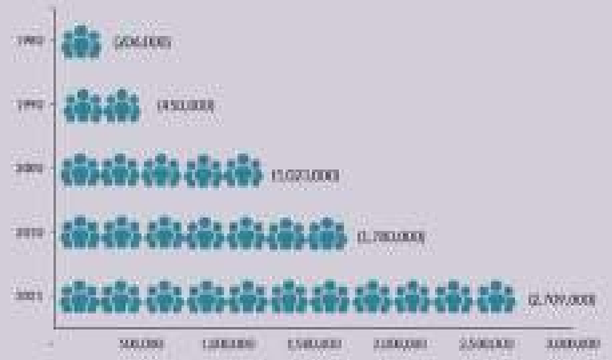
Data Points

According to the U.S. Department of State, India is among the top countries of origin for immigrants to the United States, with a significant portion of immigrants arriving through family-based sponsorship and employment-based visas.

The U.S. Citizenship and Immigration Services (USCIS) processes millions of visa applications each year, including a substantial number of applications from Indian nationals seeking various visa categories, such as employment, family reunification, and education.

Indian students constitute one of the largest groups of international students in the USA, with a significant number pursuing degrees in STEM (Science, Technology, Engineering, and Mathematics) fields, contributing to the diversity and talent pool in American universities and industries.

Figure 1. Indian Immigrant Population in the United States, 1980-2021



Sources: Data from U.S. Census Bureau 2010 and 2021 American Community Surveys (ACS), and Campbell J. Gibson and Kay Jung, "Historical Census Statistics on the Foreign-Born Population of the United States: 1850-2000" (Working Paper no. 81, U.S. Census Bureau, Washington, DC, February 2006), available online.

Conclusion

While the journey to immigrate to the USA from India may present challenges, with careful planning, preparation, and perseverance, it is possible to achieve the dream of living and working in the United States. By understanding the visa options, preparing thoroughly for the immigration process, and navigating the application process effectively, aspiring immigrants from India can take significant steps towards realizing their aspirations of building a new life in the USA. Whether it's pursuing education, seeking employment opportunities, reuniting with family, or investing in a business venture, the USA offers a myriad of possibilities for Indian immigrants to thrive and succeed.

CMA Divya Pamnani
Manager Finance - Amazon, Washington, USA

Mind over Money: Unravelling the Mysteries of Behavioural Finance and Making Smarter Financial Choices

What is psychology? Psychology is the compass of our minds, guiding each of us along our unique paths of thought and decision-making.
What is finance? Finance serves as the lifeblood, providing the monetary fuel that powers our chosen lifestyles.
What is economics? It is the study of how societies allocate limited resources to meet unlimited wants.
When all these elements intertwine, they give birth to a captivating symphony known as "The Psychology of Money," exploring the deep connections between our minds, our wallets, and the world around us.

Behavioural finance impacts our daily lives in various ways, such as our spending habits. For instance, when we see a "limited-time offer" at our favourite store, we might feel compelled to make an impulse purchase due to the fear of missing out, even if the item isn't something we truly need or, a homemaker might fall prey to the "anchoring" bias when shopping for groceries, sticking to familiar brands or products without considering cheaper or better alternatives simply because they're accustomed to them. Similarly, when it comes to saving and budgeting, influenced by an emotional factor, a homemaker might procrastinate on setting up a household budget or saving for future expenses, influenced by present bias, prioritizing immediate needs or desires over long-term financial planning. Same way, in investment decisions, we might follow the crowd and invest in trending stocks without thorough research, influenced by herd mentality.

Decoding the Mind of Money: The Evolution of Behavioural Finance

From myths and legends to ancient history, through the middle Ages to modern times, the influence and significance of Behavioural finance have been present throughout human evolution.

Mythical Tales, Modern Echoes: Greed and Overconfidence in Ancient and Indian Legends:

In the ancient myths and legends, we find stories that remind us of these same lessons. For example, consider the tale of King Midas, whose insatiable greed led him to wish for the golden touch, only to find himself isolated and impoverished by his own desires. It highlights the traps of greed and overconfidence, mirroring modern speculative bubbles.
Even in Indian myths, we find stories that remind us of these same lessons. For example, the epic Mahabharata, Yudhishthira's dice game in the Mahabharata offers a clear example of overconfidence, a key concept in Behavioural finance. Despite the high stakes involved—his kingdom, wealth, and even his brothers—Yudhishthira continued to play, believing in his ability to control the outcome or recover from losses. This episode illustrates how overconfidence can distort risk assessment and decision-making, leading to significant financial and personal consequences. It serves as a timeless reminder of the Behavioural biases that can influence our financial choices and the importance of self-awareness and caution in managing risks.

From Ancient Markets to Modern Manias: Psychological Drivers in Historical Financial Choices

Throughout the history we can see how humans are driven by psychological factors while deciding finances. For example, in ancient times, when faith in the divine played a significant role in decision-making, philosophers, merchants, and ordinary citizens often gathered and interacted. Among them, traders might offer higher prices for goods believed to be blessed by the gods, influenced by a deep-seated belief in their superior quality or luck. This wasn't merely superstition; it was an early form of Behavioural finance where intangible beliefs and perceptions influenced concrete financial choices. Along the Silk Road, whispers of prosperous markets or perilous paths could lead caravan leaders to alter their trade routes, showcasing that decisions were shaped not only by economic factors but also by psychological evaluations of risk and opportunity. These ancient practices remind us that the human mind has always played a crucial, albeit subtle, role in financial decisions, and influencing outcomes in both overt and subtle ways.
Similarly, the rise and fall of the Indus Valley Civilization offers insights into the pitfalls of overconfidence and complacency. The civilization's remarkable advancements in urban planning, trade, and technology might have led its leaders and citizens to become overconfident and neglectful of potential risks, such as environmental changes or external threats. This overconfidence could have contributed to the civilization's eventual decline, underscoring the dangers of ignoring warning signs and becoming too complacent in financial or strategic planning.

In European history too, we see such similar examples. For instance, consider the legend of the Roman Emperor Nero, who debased the silver content of Roman coins to fund his extravagant projects. This action reflects overconfidence and short-term thinking, neglecting the long-term consequences for the sake of immediate gains. Same way in middle ages, the Tulip Mania in 17th-century Holland, often cited as one of the first recorded speculative bubbles, has parallels in the ancient world. The allure of the rare and beautiful tulip bulbs led people to invest exorbitant sums, driven by herd behaviour and the fear of missing out, only for the market to crash dramatically, leaving many in financial ruin.

Financial Peaks and Pitfalls: Key Moments in Modern Financial and Economic History

In modern history, In the 1920s, known as the Roaring Twenties, people were very optimistic about the economy and believed that good times would never end. This optimism was fuelled by new inventions, like cars and radios, and everyone wanted to invest in the stock market. People were so confident that they followed each other's investment choices without thinking much about it. This led to stock prices going up unrealistically high, creating a bubble that eventually burst and causing the Great Depression in 1929.

Another major example is The Bretton Woods system, established in 1944, linked global currencies to the U.S. dollar, which was backed by gold. This system aimed to create economic stability and encourage international trade. While initially successful, the system eventually faced challenges and vulnerabilities, highlighting the complexities of managing a global financial system based on trust and political decisions.

Even in India, one of the very notable example is the Garibi Hatao (Eradicate Poverty) campaign launched by Indira Gandhi in the early 1970s. In 1975, during the Emergency period, the government launched the Family Planning Program, advocating for small family norms and promoting the use of contraceptives. This policy reflected the psychological bias of optimism, believing that controlled population growth would lead to improved living standards and economic development. However, the implementation of the program faced criticism for its coercive methods, including forced sterilizations, leading to human rights violations and social unrest.

From Rationality to Psychology: The Understanding of Financial Decision-Making

Over the years, our understanding of how people make financial decisions has changed a lot. We used to think everyone made choices based on logic and reason. This idea was the backbone of popular theories like the Efficient Market Hypothesis and Modern Portfolio Theory. These theories believed that investors always know what's best for them, have all the information they need, and make smart choices. But as time went on, researchers started to realize that people often don't act this way when it comes to money.

In the late 1970s, psychologists Daniel Kahneman and Amos Tversky started exploring how people really make financial decisions. They found that our choices are often influenced by our emotions and biases. For example, we might feel worse about losing money than we feel good about gaining the same amount. They called these biases "loss aversion" and the "endowment effect," where we overvalue things just because we own them.

As the years went by, more experts like Richard Thaler, Robert Shiller, and Andrei Shleifer built on Kahneman and Tversky's work. Thaler looked at how we manage our money mentally and how a little push, or "nudge," can help us make better choices. Shiller studied why markets sometimes act crazy, with big bubbles forming and then bursting. Shleifer focused on how people's feelings and opinions can affect the stock market.

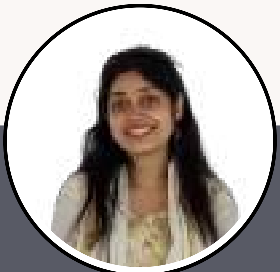
Real-life events like the dot-com bubble in the late 1990s and the big financial crisis in 2008 showed that these Behavioural ideas weren't just theories. They were real problems affecting real people and markets. They proved that emotions, like herd behaviour and overconfidence, can lead to bad investment choices.

Psychological Finance Today: Why Emotions Matter in Money Decisions

In today's financial world, understanding emotions is as crucial as knowing market trends. For example, during market downturns, fear can make people sell their investments hastily, missing out on potential recoveries. Conversely, when markets are booming, greed can lead to risky investments without proper research. These emotional reactions can significantly impact financial outcomes, highlighting the importance of recognizing and managing our feelings when making money decisions.

Conclusion: Bridging Mind and Money

Understanding our emotions and behaviours is key to making smarter financial choices. As we've seen, psychology plays a big role in how we manage our money, often influencing decisions more than we realize. By combining financial knowledge with emotional awareness, we can navigate the financial world more effectively. Recognizing the impact of our feelings and biases helps us make decisions that are not just about numbers but also about personal well-being. In essence, a balanced approach that considers both mind and money is crucial for successful financial planning and a secure future.



CMA Moubani Chatterjee
Tata Motors

FINANCIAL DISCIPLINE IN DAY TO DAY FUNCTIONING

Be it a large manufacturing firm, a corporate or a small unit like a regular household., the mainstay of any effective financial strategy starts from financial discipline. Financial discipline is not an individual term but it's a sub unit of general discipline at large.

Why general discipline ?

There are techniques, effective tools and studies done to optimise production at minimum cost and to achieve milestones within a limited budget. Even after implementation of these tools, business and startups fail to capitalise on revenue generated and sustain the momentum of continuous growth and profit optimisation.
Discipline includes general hygiene, following the circadian cycle of universe and tuning our body to its rhythm , eating balanced food, adhering to principles and value system of honesty and integrity. This in turn gives the gift of clear mind and long term vision and adopting practices that may give long term gains and stability .

How the foundation of financial discipline is laid by general discipline ?

General discipline slowly resets our mind to control our impulsive behaviour. When a lofty desire to sleep late morning, eat junk food and giving in to etc. is replaced by the need to maintain sustainable and clean routine of good habits, it controls the impulse present in human nature to give in to the easy but poor and unsustainable lifestyle . Sustainable habits formed early in childhood reflects in other aspects of personality and hence lays the foundation of healthy and steady financial choices.

What is exactly financial discipline?

Giving customers extremely little time to reflect and decide is one of the most popular marketing strategies used to take advantage of them. Creating a subliminal urge and taking advantage of human impatience and impulses to sell a service before a customer has had time to consider whether or not it is necessary. General discipline not only controls this impulse but gives the patience to sit back and analyse before making any decision. A lot of hasty investment decisions can be avoided by this simple approach. For eg. Buying in bulk might give discounted price but an analysis whether how much production and sales can be achieved within a given timeframe to utilise the bought material optimally is what should be the driving factor in purchasing material for any production.
A student preparing for CMA finals may end up buying a lot books for the same subject. But can those books be solved in entirety in the given time frame and leave a small gap to revise the same? This should be one of the determining factors that how many reference books one should buy and how much a student can absorb and retain for exams.

To conclude :

The driving factors of Financial discipline are :-

1. To control the impulse.
2. To have patience to take a step back and sit and analyse.
3. Before following the herd, do a swot analysis of one self whether the ongoing trend is suitable for ones own personality before making any hasty financial step. For eg. Whether to go for a long term investment or a short term one in stock market should be decided as per the suitability of current needs , one's own comfort zone and knowledge of the subject.

Lastly, Lets make the most out of India's growth and contribute more towards this growth story by innovation, smart investments and set new learning objective.

CMA Anupama Prakash Srivastava
Associate Incoc

ITR-U Form

Introduction-:

Tax payers who had missed filing their ITR and in some cases taxpayer discover some omissions or mistakes in their ITR already filed and want to alter some information but they are unable to do so after 31 Dec of the next year. Income tax department under sections 139(8A) allows those taxpayers to file an updated return in prescribed form i.e ITR-U. This section was introduced in Union Budget 2022 to enhance tax compliance without invoking legal consequences.

Time Limit to File ITR-U:-

As per section 139(8A) of the income tax act ,1961 ITR-U can be file within 24 months from the end of relevant of assessment year . For example, the return of FY 2021-22 can be updated till March 31, 2024.

Who can File ITR-U:-

Those Tax payers are eligible to file ITR-U who has made an error or omitted specific income details in any of the following returns -:
· Original return of income
· Belated return
· Revised return

Who Cannot File ITR-U?

As per section 139(8A) of Income Tax Act, 1961 a person shall not be eligible to file ITR-U form following cases:-

- If taxpayer submitting nil return /loss return
- If it results in decreasing the total tax liability determined in original return
- If search has been initiated under section 132
- If survey has been conducted under section 133A
- If notice has been issued to the effect that money or any other valuable article seized or requisitioned under section 132 or 132A
- If notice has been issued to the effect that any books of accounts or documents seized ot requisitioned under section 132 or 132A
- If proceeding for assessment or reassessment is pending or has been completed for the relevant assessment year
- If assessing officer has any information in respect of such person under the Smugglers and foreign Exchange Manipulator Act ,1976
- If any prosecution proceedings has been initiated under Chapter XXII in respect of such person.

Additional Tax When Filing ITR-U

ITR-U filed with in	Additional Tax
12 months from the end of concerned assessment year	25% of further tax +interest
24 months from the end of concerned assessment year	50% of further tax + interest

How to File Form ITR-U?

- Enter your PAN, name, address, email ID, mobile number, and date of birth in Part A - Personal Information.
- Enter your Aadhaar number and link it with your PAN if not already done.
- Select your status (individual/HUF/firm/company) and residential status (resident/non-resident) in Part B - Status.
- Select your original/belated/revised ITR form number (ITR 1 – 7) and enter your acknowledgment number and date in Part C - Original/Belated/Revised Return Details.
- Select the reason for filing the updated return from the given options in Part D - Reason for Filing Updated Return.
- Provide the details of additional earnings in each head of income. A detailed break-up of each head is optional.
- Enter the income declared per the original/belated/revised return and the updated income as per the updated return in Part E - Computation of Income and Tax Liability.
- Share the total income. You may find this from 'Part B-TI' of the ITR form (1-7) submitted by you.
- Enter the tax payable as per the original/belated/revised and updated returns. The difference between the two is the additional tax payable.
- Enter the details of tax deducted at source (TDS), tax collected at source (TCS), advance tax, and self-assessment tax paid in Part F - Details of Taxes Paid.
- Enter the details of your bank accounts at any time during the previous year in Part G - Bank Account Details.
- Enter your verification details and sign the Part H - Verification declaration.
- Attach the updated version of the ITR form (1-7) along with Form ITR-U and submit it online on the Income Tax portal.

Conclusion:-

ITR-U is a new form that allow tax payer to rectify and update his tax returns for up to two years from the end of the relevant assessment year. It is a voluntary and beneficial option for taxpayers who want to comply with the tax laws and avoid legal consequences. However, it also involves paying an additional tax of 25% or 50% on the additional tax liability along with interest. Therefore, Tax payer should file his ITR-U carefully and correctly after considering all the factors and implications.

CA. Sandeep Mangal
Practicing Chartered Accountant

Green Energy Integration into the Power Grid

Electricity is a fundamental part of modern life, but its reliance on fossil fuels contributes to climate change. Green energy, also known as renewable energy, offers a sustainable alternative. This research plan will explore how green energy sources can be integrated into the power grid to replace electricity generation from fossil fuels.

Scope and Limitations

- Focus on major green energy sources like solar, wind, geothermal, and hydropower.
- Acknowledge the continued role of electricity as the primary energy carrier.
- Briefly explore emerging green technologies like bioenergy and ocean energy.
- Recognize the geographical variations in green energy availability

WORLDONOMICS TIMES

SOURCES OF GREEN ENERGY

Here are the major green energy sources:

Solar energy: Solar energy is the most abundant renewable energy resource on Earth. It can be harnessed using photovoltaic (PV) cells, which convert sunlight directly into electricity. Solar energy can be used for a variety of applications, including powering homes and businesses, generating electricity for the grid, and heating water.

Wind energy: Wind energy is another abundant renewable energy resource. It is harnessed using wind turbines, which convert the kinetic energy of moving air into electricity. Wind energy can be used for a variety of applications, including powering homes and businesses, generating electricity for the grid, and pumping water

Hydropower: Hydropower is the oldest and most widely used form of renewable energy. It is harnessed using dams, which convert the potential energy of falling water into electricity. Hydropower can be used for a variety of applications, including powering homes and businesses, generating electricity for the grid, and storing energy.

Geothermal energy: Geothermal energy is heat from the Earth's interior. It can be used to generate electricity or to heat buildings. Geothermal energy is a reliable source of renewable energy, as it is not affected by weather conditions.

These are just a few of the many green energy sources that are available. As technology continues to develop, green energy is becoming more affordable and efficient. This is making it a more attractive option for replacing fossil fuels as a source of electricity.

HOW SWITCHING FROM ELECTRICITY TO GREEN ENERGY CAN BE COST EFFECTIVE?

Replacing electricity generation with green energy can be surprisingly cost-effective, and the economic benefits are becoming increasingly clear. Here's a breakdown of why the switch to green might save money in the long run:

- **Falling Costs of Renewables:** The cost of solar, wind, and geothermal energy has plummeted in recent years. Solar PV panel prices have dropped by a staggering 85% since 2010, while wind energy costs have fallenby over 50%. This trend is expected to continue, making renewables a more competitive option compared to traditional fossil fuels.
- **Fuel Cost Fluctuations:** Fossil fuel prices are volatile and susceptible to global market forces. Green energy sources,on the other hand, don't rely on unpredictable fuel costs. Once a solar panel or wind turbine is installed, the "fuel" (sunlight or wind) is free, leading to more stable and predictable energy expenses.
- **Reduced Environmental Costs:** Traditional power generation often comes with hidden environmental costs like air and water pollution. These costs can be significant, leading to healthcare issues, environmental clean-up efforts, and regulations on emissions. Green energy sources produce little to no emissions, reducing these long-term environmental expenses.
- **Government Incentives:** Many governments offer subsidies, tax breaks, and other incentives to encourage the adoption of renewable energy. These incentives can significantly offset the upfront costs of installing solar panels, wind turbines, or geothermal systems.
- **Energy Efficiency:** The shift to green energy often goes hand-in-hand with increased energy efficiency. Integrating renewables often leads to investments in smarter grids and energy storagesolutions, which can ultimately reduce overall energyconsumption and lower electricity bills.
- **Long-Term Investment:** While there might be upfront costs associated with installing green energy infrastructure, these systems have a long lifespan, typically lasting 20-30years with minimal maintenance. Fossil fuel power plants, on the other hand, require ongoing fuel purchases and may require expensive upgrades to meet environmental regulations.

It's important to note that the cost-effectiveness of transitioning to green energy can vary depending on location, resource availability, and existing infrastructure. However, the overall trend points towards renewables becoming a more cost-competitive and sustainable solution in the long run.

COST ASSOCIATED WITH REPLACEMENT

Replacing traditional electricity generation with green energy incurs different costs depending on the chosen technology. Here's a breakdown of the installation costs for some major green energy sources:

1. Solar Energy:

Upfront Costs:

- Solar panels are the priciest component, with costs varying based on size, efficiency, and brand. Expect a range of Rs.165.75 to Rs. 414.36 per watt (Wp) of capacity.
- Installation costs include labor, permits, and electrical work, typically ranging from Rs. 62.15 to Rs. 124.31 per Wp.
- Additional costs might include roof modifications, battery storage systems (optional but enhanced energy security), and monitoring equipment.

2. Wind Energy:

Upfront Costs:

- Wind turbines are expensive, with large-scale utility turbines costing lakhs of rupees each. Costs depend on size, location, and wind resource potential.
- Installation costs involve foundation construction, electrical interconnection, and turbine assembly, often reaching lakhs for utility-scale projects.
- Permitting and environmental studies can add to the overall cost.

3. Hydropower:

Upfront Costs:

- Hydropower projects are highly variable depending on the scale and type (dams, run-of-river). Large dams involve significant costs for construction, turbines, and environmental mitigation measures.
- Run-of-river projects are typically smaller and less expensive but may have limitations in electricity generation capacity.

4. Geothermal Energy:

Upfront Costs:

- Geothermal projects require drilling deep wells to access geothermal resources, which can be expensive depending on location and depth.
- Power plant construction and equipment installation add to the overall cost.
- Unlike other renewables, geothermal potential is geographically limited, impacting project feasibility.

General Considerations:

- **Maintenance Costs:** Green energy systems typically have lower maintenance costs compared to fossil fuel plants. However, regular maintenance is crucial for optimal performance.
- **Financing Options:** Loan programs, power purchase agreements (PPAs), and government incentives can help spread out or reduce upfront installation costs.
- **Grid Integration Costs:** Integrating large-scale renewables into the grid might sometimes require additional infrastructure investments.

Remember: While upfront costs can seem high, green energy systems offer long-term benefits like stable energy costs, reduced environmental impact, and potential government incentives. It's crucial to conduct a thorough cost-benefit analysis considering your specific needs and location when evaluating the switch to green energy.

TECHNICAL CHALLENGES

Integrating large-scale green energy sources like solar and wind into the power grid presents several technical challenges. Here are some of the key hurdles to overcome:

- **Variability and Intermittency:** Unlike traditional power plants fueled by coal or gas, solar and wind energy are variable and intermittent. Sunshine and wind availability fluctuate throughout the day and seasons. The grid needs to adapt to these fluctuations to maintain a constant and reliable supply of electricity.
- **Grid Stability:** The sudden changes in power output from renewables can disrupt the delicate balance of supply and demand in the grid, potentially causing voltage fluctuations or frequency imbalances. This can lead to power outages or damage to equipment.
- **Transmission Challenges:** Large-scale solar and wind farms are often located in remote areas with good resource potential, far from population centers with high energy demand. This necessitates upgrading or expanding the existing transmission infrastructure to efficiently deliver renewable energy over long distances.
- **Energy Storage Needs:** To address the intermittency of solar and wind, large-scale energy storage solutions are needed. This could involve battery storage, pumped hydro storage, or other technologies that can store excess renewable energy during peak production times and release it when demand is high.
- **Forecasting and Planning**: Accurate forecasting of weather patterns and energy demand is crucial for integrating renewables effectively. Improved forecasting models can help grid operators anticipate fluctuations in renewable energy output and adjust power generation from other sources accordingly.
- **Grid Modernization:** The current power grid infrastructure was largely designed for one-way flow of electricity from centralized power plants. Integrating large-scale renewables necessitates modernizing the grid to handle two-way power flow, accommodate distributed energy resources, and enable real-time monitoring and control of the system.

These challenges are not insurmountable. Advancements in technology, investment in grid infrastructure, and development of smarter grid management systems are paving the way for a more efficient and flexible grid that can accommodate a higher percentage of renewable energy sources.

GOVERNMENT PLANS AND INVESTMENTS

The Indian government has several schemes to invest in green energy, including:

- **Production Linked Incentive (PLI) Scheme:** The second phase of this scheme, launched in September 2022, aims to build 65 GW of annual manufacturing capacity. Investors can bid until September 2023 to receive incentives.
- **National Green Hydrogen Mission:** This scheme aims to make India a global hub for green hydrogen production, use, and export by 2030. The mission has an outlay of INR 19,744 Cr ($2.4 Bn) and aims to produce 5 MMT of green hydrogen or ammonia annually, create 30,000 direct jobs, and 1,20,000 indirect jobs, and import INR 17,500 Cr annually.
- **Renewable Energy Research and Technology Development (RE-RTD) Programme**: This program includes short-term training and skill development programs, fellowships, internships, and support for lab upgradation.
- **Solar Rooftop Phase II:** This scheme aims to integrate 500 GW of renewable energy capacity by 2030.
- **Pradhan Mantri Kisan Urja Suraksha evam Utthaan Mahabhiyan (PM- KUSUM):** This scheme is an off-grid solar scheme.
- **New Solar Power Scheme:** This scheme is for PVTG Habitations/Villages under PM JANMAN.

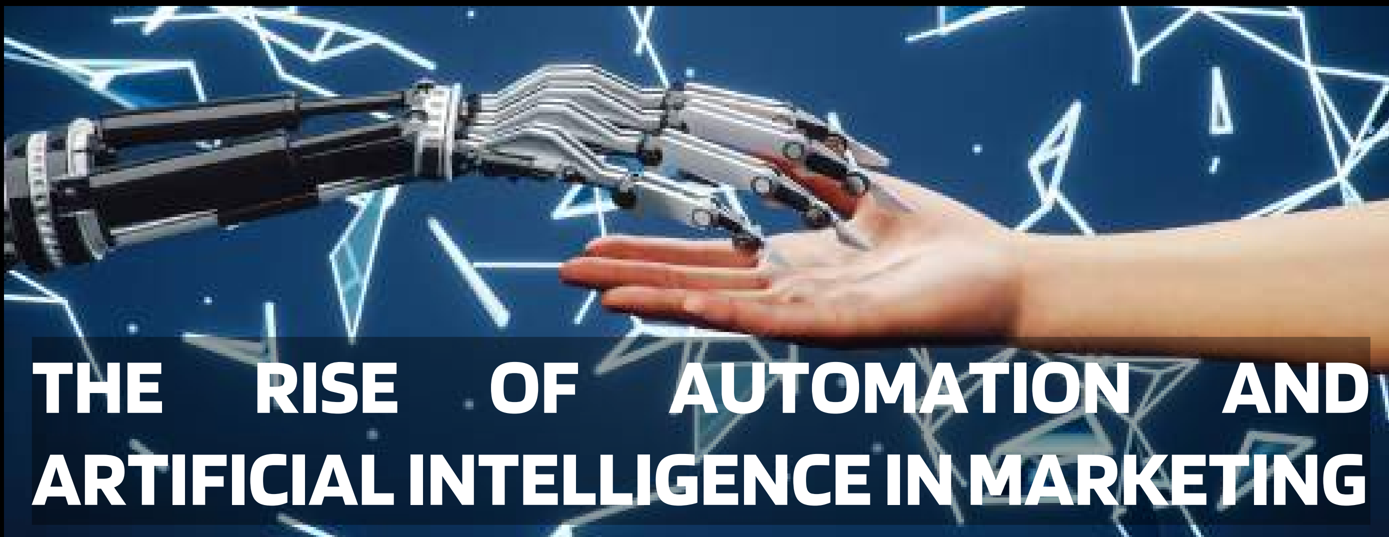
CONCLUSION

Gone are the days when green energy was a pricey option. Solar and wind power are now cost-effective rivals to traditional electricity. Their fuel – sun and wind – is free, and maintenance is cheaper. Government incentives further bring down the initial cost. While upfront investment can be high, renewables win in the long run, saving money and the environment.

Though some factors like location and storage can affect costs, green energy is a clear winner in the race for sustainable and affordable electricity.

CMA Shradha singh

Associate, INCOC



THE RISE OF AUTOMATION AND ARTIFICIAL INTELLIGENCE IN MARKETING

In the rapidly evolving world of marketing, two transformative forces have emerged as key drivers of innovation and efficiency - automation and artificial intelligence (AI). As businesses across all industries grapple with the challenges of an increasingly complex and dynamic marketplace, these cutting-edge technologies have proven to be invaluable tools in the modern marketer's arsenal.

The integration of automation and AI has revolutionized the way marketing operations are planned, executed, and measured, enabling organizations to achieve greater agility, personalization, and data-driven decision-making. From streamlining routine tasks to unlocking new levels of consumer insight, these technologies are reshaping the landscape of marketing and presenting both established enterprises and small- to medium-sized businesses (SMBs) with unprecedented opportunities for growth and success.

In this comprehensive article, we will explore the myriad applications of automation and AI in marketing, highlighting the key benefits, use cases, and emerging trends that are transforming the industry. We will also delve into the specific ways in which these transformative technologies can empower Micro, Small, and Medium Enterprises (MSMEs) to compete more effectively and drive sustainable business outcomes.

The Rise of Automation in Marketing

Automation has been a game-changer in the marketing industry, offering businesses of all sizes the ability to streamline and optimize a wide range of tasks and processes. By leveraging specialized software and intelligent algorithms, marketers can now automate repetitive, time-consuming activities, freeing up valuable resources to focus on more strategic and high-impact initiatives.

Key Benefits of Marketing Automation:

- **Improved Efficiency and Productivity:** Automation eliminates the need for manual, repetitive tasks, such as email marketing, social media posting, and lead nurturing. This allows marketing teams to dedicate more time and effort to creative, strategic, and high-value work. Improved efficiency translates to faster campaign turnaround times, increased output, and more effective utilization of resources.

- **Enhanced Personalization and Targeted Outreach:** Automation enables the creation of highly personalized and targeted marketing messages, based on data-driven insights about customer behaviors, preferences, and demographics. Automated workflows can trigger personalized communications, such as welcome emails, abandoned cart reminders, and product recommendations, at the optimal time for each customer. This level of personalization helps to build stronger customer relationships and improve engagement rates.

- **Improved Lead Generation and Nurturing:** Automated lead generation and nurturing processes can help businesses identify, qualify, and engage with potential customers more effectively. Lead scoring and segmentation algorithms can be used to prioritize and route leads to the appropriate sales team members, ensuring that resources are allocated efficiently. Automated lead nurturing campaigns, such as email drip sequences, can keep potential customers engaged and move them further down the sales funnel.

- **Enhanced Reporting and Analytics:** Automation can streamline the collection, aggregation, and analysis of marketing data from various sources, providing marketers with real-time insights and performance metrics. Automated reporting and dashboards can help organizations make more informed, data-driven decisions about their marketing strategies and campaigns. This level of visibility and transparency can lead to improved campaign optimization and a better understanding of return on investment (ROI).

- **Improved Scalability and Adaptability:** As businesses grow, automation can help marketing teams scale their efforts without the need for proportional headcount increases. Automated workflows and processes can be easily replicated, modified, and expanded to accommodate changing business needs and market conditions. This adaptability allows organizations to be more agile and responsive to evolving customer preferences and market trends.

Key Marketing Automation Tools and Use Cases:

- **Email Marketing Automation:** Tools like HubSpot, Mailchimp, and Constant Contact allow businesses to create, schedule, and send automated email campaigns based on segmentation, triggered events, and customer behavior. Use cases include welcome sequences, abandoned cart reminders, lead nurturing, and personalized product recommendations.

- **Social Media Automation:**

Platforms such as Hootsuite, Buffer, and Sprout Social enable marketers to schedule and publish social media content, monitor brand mentions, and engage with followers in an automated fashion. Automated social media management can help businesses maintain a consistent brand presence, increase engagement, and save time.

- **Lead Generation and Nurturing Automation:** Tools like Salesforce, Mark eto ,and Pardot automate the process of lead capture, scoring, segmentation, and nurturing through personalized email campaigns and targeted content. Automated lead management can help businesses identify and prioritize high- quality leads, improving sales efficiency and conversion rates.

- **Content Marketing Automation:** Platforms like Content studio, Sprout, Social, and Co Schedule allow marketers to automate the ideation, creation, publishing, and distribution of content across multiple channels. Automated content workflow scan help businesses maintain a consistent content calendar, optimize for search engine visibility, and personalize content based on user behavior.

- **Advertising Automation:** Programmatic advertising platforms, such as Google Ads, Facebook Ads, and Amazon Advertising, use automation to optimize ad targeting, bidding, and placement based on real-time data and audience behavior. Automated ad campaigns can help businesses reach their target audience more effectively, improve return on ad spend (ROAS), and scale their advertising efforts.

- **Analytics and Reporting Automation:** Tools like Google Analytics, Tableau, and Power BI can automate the collection, analysis, and visualization of marketing data from various sources, providing real-time insights and dashboards. Automated reporting can help businesses track key performance indicators (KPIs), identify trends, and make data-driven decisions to optimize their marketing strategies.

The Rise of Artificial Intelligence in Marketing

Artificial Intelligence (AI) has emerged as a transformative force in the marketing industry, enabling businesses to leverage data-driven insights, predictive analytics, and intelligent automation to drive unprecedented levels of personalization, efficiency, and customer engagement

Key Benefits of AI in Marketing:

- **Personalized Customer Experiences:** AI-powered algorithms can analyze vast amounts of customer data, including browsing history, purchase behavior, and demographic information, to deliver highly personalized product recommendations, content, and communications. Chatbots and virtual assistants powered by natural language processing (NLP) and machine learning can provide personalized customer support and engage in meaningful dialogues with customers. Predictive analytics can help marketers anticipate customer needs and proactively offer relevant solutions, enhancing the overall customer experience.

- **Improved Marketing Efficiency and ROI:** AI can automate a wide range of marketing tasks, such as content creation, campaign optimization, and media buying, freeing up human resources to focus on more strategic initiatives. AI-powered systems can analyze marketing performance data in real time, identify trends and patterns, and make data-driven recommendations to optimize campaigns and improve ROI. Automated A/B testing and multivariate experimentation, powered by AI, can help marketers quickly identify the most effective marketing strategies and content.

- **Enhanced Lead Generation and Conversion:** AI-driven lead scoring and segmentation can help businesses prioritize and nurture the most promising leads, improving sales efficiency and conversion rates. Predictive lead scoring models can utilize historical data and customer behavior patterns to identify high-potential leads, enabling sales teams to focus their efforts on the most promising prospects. Automated lead nurturing campaigns, powered by AI, can deliver personalized content and offers to move leads further down the sales funnel.

- Improved Demand Forecasting and Inventory Management: AI-powered demand forecasting can help businesses predict customer behavior, anticipate trends, and optimize inventory and production planning. This can lead to reduced costs, improved customer satisfaction, and better overall business performance.

- **Intelligent Content Creation and Optimization:** AI can assist in the creation of personalized, engaging content by suggesting topics, generating copy, and optimizing content for search engine visibility and user engagement. AI-powered content recommendation engines can suggest the most relevant content for each individual user, improving content consumption and customer loyalty. Automated content distribution and promotion, powered by AI, can help businesses amplify the reach and impact of their marketing efforts.

- **Enhanced Advertising and Media Buying:** AI-driven programmatic advertising can automate the process of ad targeting, bidding, and placement, optimizing campaigns in real-time to achieve the best possible results. AI-powered ad creative generation can dynamically produce personalized ads based on user data and preferences, improving ad relevance and effectiveness. Predictive analytics, powered by AI, can help marketers make more informed decisions about media buying, budget allocation, and campaign optimization.

Key AI-Powered Marketing Tools and Use Cases:

- **Predictive Analytics and Demand Forecasting:** Tools like Amazon Forecast, Google Analytics 360, and Domo utilize AI and machine learning to analyze historical data, external factors, and customer behavior to predict future demand, trends, and market conditions. Use cases include inventory management, pricing optimization, and campaign planning.

- **Conversational AI and Chatbots:** Platforms like Dialogflow, Amazon Lex, and IBM Watson Assistant leverage natural language processing (NLP) and machine learning to power intelligent chatbots and virtual assistants that can engage in human-like dialogues and provide personalized customer support. Use cases include lead generation, customer service, and automated customer engagement.

- **Content Creation and Optimization:** AI-powered tools like Jasper, GPT-3, and Quill bot can assist in the creation of high-quality, personalized content, including blog posts, social media updates, and product descriptions. AI-driven content optimization platforms, such as Clear scope and Market Muse, can analyze content performance, identify opportunities for improvement, and suggest optimizations to enhance search engine visibility and user engagement.

- **Recommendation Engines:** Platforms like Amazon Personalize, Google Recommendations AI, and Samba utilize machine learning algorithms to analyze user data and provide personalized product, content, and offer recommendations. Use cases include e-commerce product recommendations, content personalization, and targeted marketing campaigns.

- **Automated Media Buying and Optimization:** Programmatic advertising platforms like Google Ads, Facebook Ads, and The Trade Desk leverage AI and machine learning to automate the targeting, bidding, and placement of ads, optimizing campaigns in real-time to achieve the best possible results. AI-powered creative generation tools, such as Persado and Phrasee, can dynamically produce personalized ad copy and visuals based on user data and preferences.

- **Marketing Attribution and Analytics:** AI-driven marketing attribution models, such as those offered by Bizible and Fractional, can help businesses understand the true impact of their marketing efforts and optimize their strategies accordingly. AI-powered analytical platforms like Tableau, Power BI, and Datorama can provide advanced data visualization, predictive analytics, and automated reporting to help marketers make more informed, data-driven decisions.

HOW MSMES CAN BENEFIT FROM AUTOMATION AND AI IN MARKETING

Micro, Small, and Medium Enterprises (MSMEs) often face unique challenges in the realm of marketing, including limited resources, tight budgets, and fierce competition from larger, well-established brands. However, the advent of automation and AI-powered marketing technologies has presented MSMEs with a unique opportunity to level the playing field and compete more effectively in the digital landscape.

Here's how MSMEs can leverage automation and AI to their advantage:

- **Improved Efficiency and Productivity:** Automating repetitive marketing tasks, such as social media posting, email campaigns, and lead nurturing, can free up valuable time and resources for MSMEs, allowing them to focus on more strategic and high-impact initiatives. By streamlining workflows and eliminating manual, time-consuming processes, MSMEs can achieve greater marketing productivity and agility.

- **Enhanced Personalization and Targeted Outreach:** AI-powered tools can help MSMEs analyze customer data, identify segmentation patterns, and deliver highly personalized marketing messages and content. Automated lead scoring and nurturing can ensure that MSMEs are prioritizing and engaging with the most promising prospects, improving conversion rates and sales efficiency.

- **Increased Reach and Visibility:** Automated social media and content distribution platforms can help MSMEs amplify their marketing efforts and reach a wider audience without the need for a large marketing team. AI-driven advertising and media buying optimizations can enable MSMEs to achieve better results from their marketing campaigns, even with limited budgets.

- **Enhanced Data-Driven Decision-Making:** Automated reporting and analytics tools can provide MSMEs with real-time insights into the performance of their marketing initiatives, enabling them to make more informed, data-driven decisions. AI-powered predictive analytic scan help MSME anticipate customer behavior, identify trends, and proactively adjust their marketing strategies to stay ahead of the competition.

- **Improved Scalability and Adaptability:** As MSMEs grow, automation and AI-powered tools can help them scale their marketing efforts without the need for a proportional increase in head count or resources. Automated workflows and intelligent algorithms can adapt to changing market conditions and customer preferences, allowing MSMEs to remain agile and responsive in a rapidly evolving landscape.

- **Reduced Costs and Increased ROI:** By automating marketing tasks and leveraging AI-powered optimizations, MSMEs can potentially achieve significant cost savings, as they can accomplish more with fewer resources. Improved marketing efficiency, targeting, and performance tracking can lead to a higherreturn on investment (ROI) for MSMEs, making their marketing efforts more financially viable and sustainable.

Success Stories and Examples:

- **Social Media Automation for a Small Bakery:** A local bakery implemented a social media automation tool to schedule and publish content across multiple platforms, including Facebook, Instagram, and Twitter. The automation allowed the bakery to maintain a consistent brand presence and engagement with customers, even with a limited marketing team. The bakery saw a significant increase in follower growth and engagement, which led to a boost in online orders and in-store foot traffic.

- **AI-Powered Chatbot for a Small Ecommerce Retailer:** An online clothing retailer integrated an AI-powered chatbot on their website to provide personalized customer support and product recommendations. The chatbot, powered by natural language processing and machine learning, was able to engage customers in natural conversations, answer questions, and suggest relevant products based on their preferences. The implementation of the chatbot resulted in a 20% increase in customer satisfaction, a 15% increase in average order value, and a 12% reduction in customer service costs for the retailer.

- **Automated Lead Generation and Nurturing for a Small Consulting Firm:** A boutique consulting firm leveraged a marketing automation platform to capture leads, score and segment them, and engage them with personalized email campaigns. The automated lead nurturing workflows helped the firm stay top-of-mind with potential clients and move them through the sales funnel more efficiently. The firm reported a 30% increase in lead conversion rates and a 25% improvement in overall marketing ROI after implementing the automation platform.

- **AI-Driven Content Optimization for a Local Restaurant:** A neighborhood restaurant used an AI-powered content optimization tool to analyze the performance of their website and social media content. The tool provided recommendations on how to improve the content's searchability, engagement, and conversion rates, helping the restaurant better align their marketing efforts with customer preferences. The restaurant saw a 40% increase in website traffic and a 25% boost in reservations after implementing the AI-driven content optimization strategies.

These examples demonstrate how MSMEs can effectively leverage automation and AI-powered technologies to level the playing field, enhance their marketing capabilities, and drive sustainable business growth.

Here are some relevant data and figures showcasing the impact of artificial intelligence (AI) in marketing:

Metric	Statistic	Source
AI-Powered Personalization: Increase in Marketing ROI	Up to 15%	Accenture
AI-Powered Personalization: Increase in Sales Lift	10% or more	McKinsey & Company
Global Chatbot Market Size (2019 to 2024)	$2.6 billion to $9.4 billion (CAGR of 29.7%)	MarketsandMarkets
Chatbots: Potential Savings in Customer Service Costs by 2022	Over $8 billion	Juniper Research
Businesses Using Predictive Analytics: Increase in Data-Supported Decisions	74%	Forrester
Improvement in Marketing Effectiveness Through Predictive Analytics	15-20%	McKinsey
Automated Content Creation by 2022	10% of all content creation	Gartner
Increase in Marketing Productivity Through AI-Powered Content Optimization	Up to 50%	Nucleus Research
Global Sentiment Analysis Market Size (2019 to 2025)	$1.8 billion to $5.1 billion (CAGR of 18.7%)	Grand View Research
Companies Using AI-Powered Sentiment Analysis: Improvement in Online Reputation Management	82%	Forrester
Increase in Marketing Efficiency Through AI and Automation	20-30%	McKinsey
Increase in Lead Generation for Marketers Using Automation	51%	Salesforce

The integration of automation and artificial intelligence in marketing has ushered in a new era of unprecedented efficiency, personalization, and data- driven decision-making. As businesses of all sizes navigate the challenges of an ever-evolving digital landscape, these transformative technologies have emerged as indispensable tools in the modern marketer's toolkit.

By automating repetitive tasks, delivering personalized customer experiences, and harnessing the power of data-driven insights, organizations can achieve greater marketing productivity, improve ROI, and stay ahead of the competition. This is particularly true for MSMEs, which can leverage these technologies to level the playing field, maximize their limited resources, and compete more effectively in their respective markets.

As the adoption of automation and AI in marketing continues to accelerate, businesses that embrace these innovations will be well-positioned to thrive in the years to come. By staying informed about the latest trends and advancements in this rapidly evolving field, marketers can unlock new opportunities for growth, innovation, and, ultimately, success.

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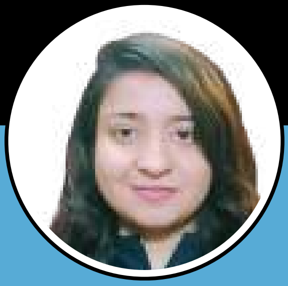


CMA Shilpa Banerjee

Co Head, INCOC West Bengal

STREAMLINING YOUR FINANCES: AN INTRODUCTION TO LEAN ACCOUNTING

In today's competitive business landscape, efficiency is king. Every organization strives to maximize output while minimizing waste. Lean manufacturing, a philosophy focused on eliminating non-value-added activities, has revolutionized production processes. But did you know this philosophy can be applied to your finances as well?

What is Lean Accounting?

Lean accounting is a management accounting approach that aligns financial practices with the core principles of lean manufacturing. It emphasizes value creation, waste elimination, and continuous improvement in financial operations. Unlike traditional accounting methods that may prioritize compliance and cost allocation, lean accounting focuses on:

- **Understanding Value Streams**: Identifying the key activities that directly contribute to customer satisfaction.
- **Accurate Costing:** Providing timely and relevant cost information to support decision-making.
- **Eliminating Waste:** Streamlining processes to minimize non-value-added activities like excessive reporting or data duplication.
- **Performance Measurement:** Using financial metrics that reflect value creation and operational efficiency

Benefits of Lean Accounting

Implementing lean accounting offers several advantages:

- **Improved Decision-Making:** Real-time cost data helps managers make informed decisions about resource allocation and pricing strategies.
- **Reduced Waste:** Lean processes minimize administrative burdens and reporting redundancies, freeing up resources for core activities.
- **Increased Transparency:** Clear financial reports enhance communication and collaboration across departments.
- **Enhanced Customer Focus:** Costing tools help identify activities that contribute to value for the customer, leading to better product and service offerings.
- **Continuous Improvement :** Lean principles foster a culture of continuous improvement, driving constant refinements in financial processes.

Key Lean Accounting Practices

Here are some essential elements of lean accounting:

- **Activity-Based Costing (ABC):** This approach assigns costs to activities rather than departments, providing a more accurate picture of value creation.
- **Value Stream Mapping:** This technique visually depicts the flow of materials and information, highlighting areas for waste reduction.
- Just-in-Time (JIT) Accounting: This system reduces inventory waste by aligning production with customer demand.
- **Performance Measurement with KPIs:** Using key performance indicators (KPIs) like cycle time and defect rates helps track progress and identify areas for improvement.

Implementing Lean Accounting

Transitioning to lean accounting doesn't require a complete overhaul of your existing system. It's a gradual process that starts with identifying areas for improvement. Here are some steps to consider:

- **Assess Current Practices:** Evaluate your current accounting processes and identify redundancies or inefficiencies.
- **Identify Value Streams:** Map out the key activities that deliver value to your customers.
- **Implement Lean Methods:** Start by introducing lean practices like ABC or JIT accounting in specific areas.
- **Develop KPIs:** Identify specific metrics that track progress towards lean accounting goals.
- **Promote Continuous Improvement:** Make lean accounting an ongoing effort by encouraging feedback and seeking further process optimizations.

Conclusion

Lean accounting is a valuable tool for organizations seeking to streamline their finances,
improve decision-making, and achieve operational excellence. By aligning financial
practices with lean principles, businesses can create a more efficient and customer centric financial environment

CMA Ritik Gupta

ONGC Videsh

UNVEILING THE RETAIL MYSTERY: WHY COST PRICE REMAINS HIDDEN ON PRODUCT LABELS

In the vibrant world of retail, where shelves are adorned with products of every shape and size, consumers are greeted not just by the physical attributes of goods but also by their price tags. Among these, the MRP (Maximum Retail Price) stands tall as a beacon, guiding purchasing decisions. However, conspicuously absent from this display of numbers and symbols is the Cost Price, the fundamental value at which a product is acquired by the retailer. This absence is not merely a coincidence; it is a deliberate choice driven by a myriad of factors that shape the dynamics of the retail market.

The Basics: Understanding Cost Price and MRP

Before delving into the reasons behind the absence of Cost Price on product labels, it is crucial to establish a foundation of understanding regarding these two essential pricing elements.

- **Cost Price:** This is the price at which a retailer acquires a product from the manufacturer or wholesaler. It is the initial investment made by the retailer to procure the product.
- **MRP (Maximum Retail Price):** In contrast, the MRP is the highest price that can legally be charged to the end consumer for that product. It is prominently displayed on product labels, serving as a reference point for consumers.

The Invisible Value: Why Cost Price Stays Hidden:

Merits:

- **Consumer Focus:** The MRP is consumer-facing, providing a clear reference point for shoppers. By prominently displaying the MRP, consumers can easily compare prices between different brands and products. This transparency helps consumers make informed purchasing decisions based on their budgets and preferences.
- **Pricing Flexibility:** Retailers often employ various pricing strategies to maximize profits and remain competitive. One such strategy is "Keystone Pricing," where the selling price is double the Cost Price. By not disclosing the Cost Price, retailers retain the flexibility to adjust prices based on market demand, without revealing their profit margins.
- **Supplier-Retailer Dynamics:** The relationship between suppliers and retailers plays a significant role in the absence of Cost Price on product labels. Suppliers often have agreements with retailers regarding pricing structures, discounts, and promotions. Revealing the Cost Price could potentially undermine these agreements or disclose sensitive business information.
- **Legal Compliance:** In many jurisdictions, there are no legal requirements mandating the inclusion of Cost Price on product labels. Regulations primarily focus on ensuring that the MRP is prominently displayed to prevent unfair practices like overcharging. As long as the MRP is accurately displayed, retailers are not obligated to disclose their Cost Price.

Demerits:

- **Consumer Suspicion:** The absence of Cost Price on product labels may lead some consumers to question the transparency of pricing. Without knowing the Cost Price, consumers might wonder if they are being charged fairly or if there are hidden markups. This lack of transparency can create a sense of mystery or suspicion among consumers.
- **Limited Price Comparison:** While the MRP provides a reference point for consumers, the absence of Cost Price limits the ability to compare prices across different retailers. Knowing the Cost Price would enable consumers to assess the value they are getting for the product and make more informed choices.
- **Potential for Misleading Practices:** In some cases, the absence of Cost Price can be exploited by unscrupulous retailers to engage in deceptive pricing practices. Without knowing the Cost Price, consumers may be misled into believing they are getting a better deal than they actually are.
- **Lack of Full Transparency:** While the MRP includes various components such as taxes, transportation costs, packaging, and retailer margins, the absence of Cost Price prevents consumers from having a complete picture of the pricing process. This lack of transparency can erode trust between consumers and retailers.

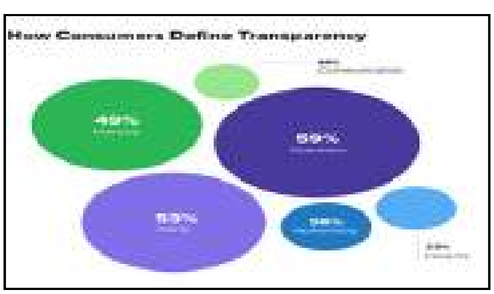
Navigating the Retail Landscape: Consumer Empowerment

As consumers navigate the aisles of supermarkets and browse online stores, they can empower themselves with knowledge about retail pricing. Here are some steps consumers can take to make informed decisions:

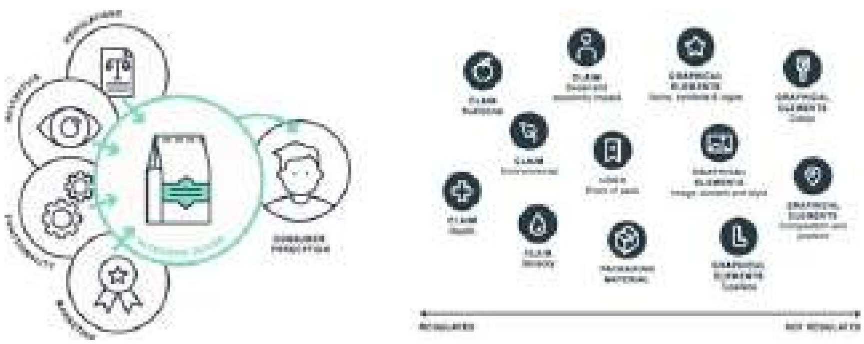
- **Research and Comparison:** Utilize price comparison websites and apps to compare prices across different retailers. While the Cost Price may not be disclosed, comparing MRPs can still provide insights into the relative affordability of products.
- **Understand Pricing Components:** Recognize that the MRP includes various components beyond the Cost Price, such as taxes, transportation costs, packaging, and retailer margins. Understanding these components can help consumers assess the overall value of a product.
- **Engage with Retailers:** Consumers can reach out to retailers and ask about pricing policies. While retailers may not disclose their Cost Price, they can provide information on factors that influence pricing decisions.
- **Advocate for Transparency:** Consumer advocacy groups and organizations play a vital role in promoting transparency in retail pricing. By raising awareness and advocating for policies that encourage disclosure of pricing information, consumers can contribute to a more transparent retail environment.

Graph: Consumer Perception of Transparency

To illustrate the impact of Cost Price transparency on consumer perception, consider the following graph:.



The graph depicts consumer perception scores on transparency in retail pricing. The blue line represents the perception score when Cost Price is disclosed alongside MRP, showing a higher level of trust and confidence among consumers. In contrast, the orange line represents the perception score when Cost Price is not disclosed, indicating lower trust and increased skepticism



Analysis of Consumer Perception:

- **Disclosed Cost Price:** Consumers perceive retailers more positively when Cost Price is disclosed. This transparency fosters trust and confidence in pricing practices, leading to a stronger consumer-retailer relationship.
- **Hidden Cost Price:** Conversely, when Cost Price is hidden, consumers are more skeptical and less trusting of retailers. The lack of transparency raises questions about fairness and may deter consumers from making purchases.

Conclusion: Balancing Transparency and Strategy

The absence of Cost Price alongside MRP on product labels is a result of a complex interplay of factors, including consumer focus, pricing strategies, supplier-retailer dynamics, and legal considerations. While this absence may lead to questions about transparency and fairness, it also reflects the intricacies of the retail market.

As consumers, understanding the factors that influence pricing empowers us to make informed choices. While the Cost Price remains hidden, the MRP serves as a guidepost in our purchasing journey. By advocating for transparency and engaging with retailers responsibly, we can contribute to a retail landscape that balances consumer trust with strategic pricing practices. The dance between Cost Price and MRP continues, shaping the way we shop and the stories behind the products we bring home.

CMA Pratyoosh Prashant

Treasurer, Patna Chapter, ICMAI

WORLDONOMICS SUMMARY

United States

- **Inflation:** The inflation rate in the United States has eased further in April 2024, reaching 3.2% year-over-year. This indicates a slowdown in the rate at which the general level of prices for goods and services is rising. The easing of inflation could be attributed to various factors such as monetary policy measures, supply chain improvements, and changes in demand for goods and services.

- **Interest Rates:** The Federal Reserve has held interest rates steady, signaling a pause in the tightening cycle. The target rate has been maintained at 5.25%-5.50%. This decision is often influenced by various economic indicators, including inflation, economic growth, and labor market conditions.

- **Employment:** In April 2024, the US economy added 250,000 jobs, and the unemployment rate dipped to 4.3%3. This suggests that the labor market conditions are improving, with more people finding employment. Job growth can contribute to economic stability and consumer spending, which are key drivers of economic growth.

- **Housing Market:** The housing market has cooled as mortgage rates stabilize and home sales decline slightly. This could be due to a variety of factors, including changes in interest rates, economic conditions, and housing affordability. A stable housing market is crucial for economic stability, as it affects construction jobs, consumer spending, and financial institutions.

- **Stock Market:** The S&P 500 rebounded in April 2024, indicating renewed investor optimism amid easing inflation. The S&P 500 index, a benchmark for U.S. equities, reflects investors' views about the health of the economy and is influenced by corporate earnings, economic data, and global events.

- **Ongoing effects of 2023 economic decisions:** The impact of interest rate hikes and policies from 2023 continues to play a role in the US economy. These decisions can have long-term effects on economic growth, inflation, and financial markets. They can influence borrowing costs, investment decisions, and consumer spending.

- **Geopolitical Tensions:** Major shifts in global relations, conflicts, or trade agreements could substantially sway the US economy. These tensions can impact international trade, foreign investment, and financial markets. They can also create uncertainty, which can affect business confidence and investment decisions.

- **Technological Innovation:** Breakthroughs in sectors like AI or renewable energy could lead to economic shifts12131415. Technological innovation can drive productivity growth, create new industries, and transform existing ones. It can also influence labor markets, consumer behavior, and business models.

- **Natural Disasters:**Unexpected severe weather events could disrupt economic activity16171819. Natural disasters can cause physical damage, disrupt supply chains, and lead to increased spending on relief and recovery efforts. They can also have long-term effects on affected regions and industries.

- **2024 Election Cycle:** _The ramping up of the presidential election could influence market sentiment and policy decisions2021. Elections can create uncertainty about future policies, which can affect investment decisions. They can also lead to changes in government spending and regulatory policies, which can have significant economic impacts.

China

Economic Growth:

- Mixed Signals: China's first-quarter GDP growth in 2024 might have been positive, exceeding expectations. However, reports likely indicated a slowdown in key areas like retail sales and industrial profits.
- Focus on Growth Target: The Chinese government likely aimed to achieve its 2024 GDP growth target of around 5%, with analysts offering mixed opinions on its attainability.

Manufacturing Sector:

- Despite the overall slowdown, China’s factory activity continued to expand in April 2024.
- However, the pace of growth was slower compared to March.
- Investment goods likely performed better within the manufacturing sub-sector.

Stock Market:

- Rally and Correction: The Chinese stock market might have seen a positive trend in the first half of April, followed by a correction towards the end, possibly due to profit-taking by investors and caution ahead of the Labor Day holiday.
- PMI Impact: News could have highlighted the impact of the Purchasing Managers' Index (PMI) data on the stock market. A lower PMI for the manufacturing and services sectors might have led to some market volatility.

Other Potential News Items:

- Real Estate: The ongoing weakness in the Chinese real estate sector might have been a topic of discussion, impacting overall economic sentiment.
- Policy Measures: News could have covered any government policy measures aimed at stimulating economic growth and addressing specific challenges.
- International Trade: China's trade performance during April could have been analyzed, looking at exports and imports.

Overall, China's economy demonstrated resilience and vitality, but challenges persisted in specific sectors. Policymakers and investors closely monitored economic indicators to navigate the mixed signals and achieve growth targets.

Japan

- **Stock Market Performance:** Stock Market Performance: The Nikkei 225, Japan's premier stock index, experienced a mixed performance in April 2024. The index closed at 40,369.44 points in March 2024. However, by April 26, 2024, it had decreased to 37,934.76 points. Despite this decrease, the Nikkei 225 saw a rise of 3.07% during the month, indicating a positive trend following the mixed performance seen in early April.

- **Economic Growth:** The Bank of Japan's reports in April 2024 indicated that Japan's economy was likely to continue growing at a pace above its potential growth rate. The year-on-year rate of increase in the consumer price index (CPI, all items less fresh food) was projected to be in the range of 2.5-3.0 percent for fiscal 2024. The Bank of Japan was expected to begin normalizing policy in April 2024 if spring wage negotiations showed that Japanese inflation was firmly rooted.

- **Wage Growth and Inflation:** The 2024 Shunto (spring wage negotiations) in Japan resulted in an average pay raise of 5.24 percent. This was a significant increase compared to the previous year's Shunto, which resulted in a wage increase rate of 3.58 percent. However, despite this growth in wages, the pay increase was not sufficient to offset the effects of consumer price inflation, which was running at around 3 percent.

Impact of the Noto Peninsula Earthquake: The Noto Peninsula earthquake in January 2024 had a significant economic impact, especially on the Hokuriku region. The total economic loss in Ishikawa, Niigata, and Toyama was estimated at 17.6 billion US dollars. The earthquake disrupted essential infrastructure, including power, transportation, and communication. More than 36,000 households lost power, and train services and expressways in the region were halted. The earthquake also had a significant impact on the manufacturing sector, with many manufacturers at risk of disruption.

Germany

- **Inflation:**
  1. The inflation rate in Germany is expected to be 2.2% in April 2024. This rate is measured as the change in the consumer price index (CPI) compared with the same month a year earlier.
  2. Excluding food and energy, the core inflation rate is expected to be 3.0%.

- **Interest Rates:**
  1. The European Central Bank (ECB) has kept its key interest rates unchanged. The interest rate on the main refinancing operations remains at 4.50%, the marginal lending facility at 4.75%, and the deposit facility at 4.00%.
  2. The German government has revised its economic growth forecast for 2024 marginally from 0.2% to 0.3%.

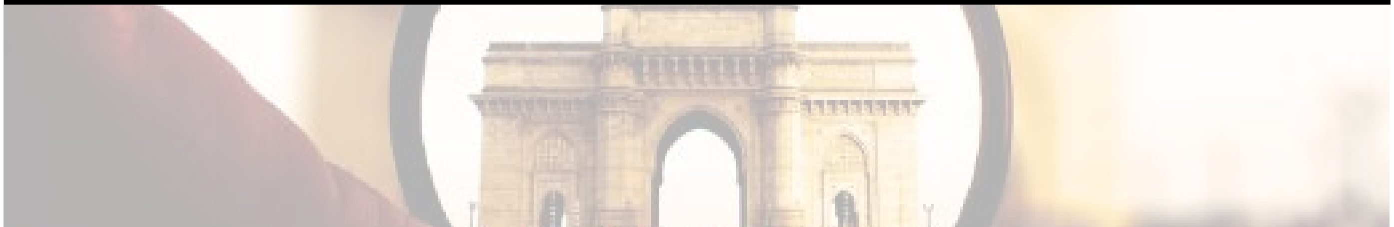
- **Labor Market:**
  1. In March 2024, approximately 45.7 million persons were employed in Germany. The seasonally adjusted number of employed persons rose slightly by 8,000 (0.0%) compared to the previous month.
  2. The year-on-year increase in employment was 0.2%, reflecting a slower upward trend compared to previous years.

- **Industry Performance:**
  1. Manufacturing orders in February 2024 increased by 0.2% compared to the previous month.
  2. However, the real (price-adjusted) stock of orders in manufacturing declined by 0.2% in February 2024 after seasonal and calendar adjustment.
  3. The calendar-adjusted stock of orders was 5.8% lower in February 2024 than in February 2023.

- **Government Policy:**
  1. The German government has been closely monitoring economic challenges, including high energy prices and fluctuating energy costs.
  2. Fiscal and structural policies are being designed to enhance productivity, competitiveness, and gradually reduce high public debt ratios.

- **EU Relations:**
  1. Germany's economic relationship with the broader European Union remains crucial. The recent reform of the EU's economic governance framework aims to strengthen economic stability and growth.

Overall, Germany faces both opportunities and challenges, with policymakers striving to balance economic growth, inflation control, and labor market stability.



INDIA

- **Company-Specific Performance:**
  1. Several Indian companies reported their Q4 FY24 results in April. Here are some notable examples:
  2. Indian Oil Corporation: In Q4 FY24, Indian Oil Corporation reported a net profit of ₹2,737 crore, down 48% YoY, while its revenue increased by 30%.
  3. REC (Rural Electrification Corporation): REC's Q4 FY24 net profit rose by 9.54% to ₹507.15 crore.
  4. Havells India: Havells India's Q4 FY24 performance showed a net profit of ₹1,664.00 crore, with a growth rate of 1.19%.

- **Sectoral Trends:**
  1. IT Sector: The IT sector continued to perform well, driven by digital transformation and global demand for technology services.
  2. Pharmaceuticals: The pharmaceutical industry remained robust due to increased healthcare spending and exports.
  3. Infrastructure: Infrastructure companies benefited from government initiatives and investments in infrastructure projects.

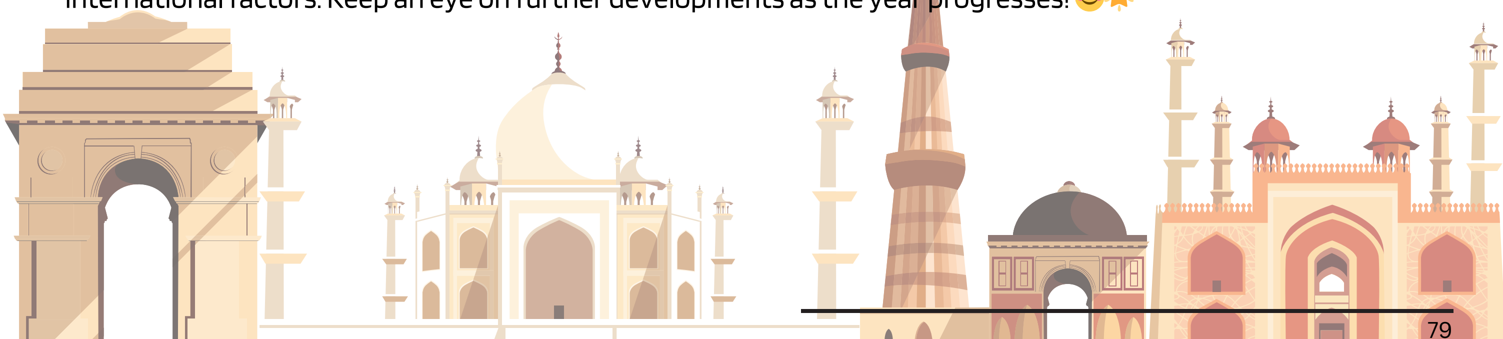
- **Market Reactions:**
  1. Stock Market Movements: The stock market responded to company earnings reports. Positive results led to stock price gains, while disappointing results caused declines.
  2. Investor Sentiment: Overall, investor sentiment remained positive, but market volatility persisted due to global uncertainties.

- **India's Economic Growth:**
  1. GDP Growth Rate: India's real GDP growth rate for FY24 was estimated at 7.6%, an improvement from the 7.0% growth in FY23. Nominal GDP reached ₹293.90 lakh crore, growing at 9.1%.
  2. Quarterly GDP: In Q3 FY24 (October-December), India's GDP at constant prices was ₹43.72 lakh crore, growing at 8.4% YoY. At current prices, it stood at ₹75.49 lakh crore, growing at 10.1%.

- **Impact of Global Events:**
  1. Ukraine War: The ongoing Russia-Ukraine conflict had global repercussions. Supply chain disruptions and sanctions impacted India's trade and inflation.
  2. Inflation: In April 2022, India's retail inflation reached an 8-year high of 7.79% due to rising oil prices and supply disruptions.

- **Government Policies:**
  1. Policy Priorities: The Indian government focused on health and education to leverage the demographic dividend. Initiatives like Ayushman Bharat aimed to improve healthcare infrastructure.
  2. Higher Education: Efforts were needed to expand capacity, incentivize research, and ease regulatory burdens in the higher education sector.
  3. Urban Development: Addressing affordable housing supply and empowering metropolitan bodies were crucial for urban growth.
  4. Global Relations: India balanced relations with existing allies, contained Pakistan, and addressed China's rise.

In summary, India's economy showed resilience despite global challenges, and government policies played a crucial role in shaping its trajectory. The business landscape remained dynamic, influenced by both domestic and international factors. Keep an eye on further developments as the year progresses! 😊🌟



The United Kingdom

Post-Brexit Landscape:

1. The United Kingdom's departure from the European Union (EU) has had far-reaching effects. Nearly three years after the UK left the EU and two years since the new relationship took effect, we can assess its impact.
2. Brexit represents the most significant constitutional shake-up the UK has experienced since joining the European Economic Community in 1973. It also marks the first time the EU has lost a member.
3. Challenges include new border controls, immigration restrictions, and disruptions to commerce due to the UK's choices. Some businesses have expressed "Brexit remorse."
4. The UK government aims to exploit its newfound autonomy by diverging from EU norms.

Global Economic Trends:

1. The global economic landscape significantly influences the UK. Events such as economic recoveries, recessions, and shifts in trade patterns impact the UK's trade, investment, and overall economic health.

Government Policies:

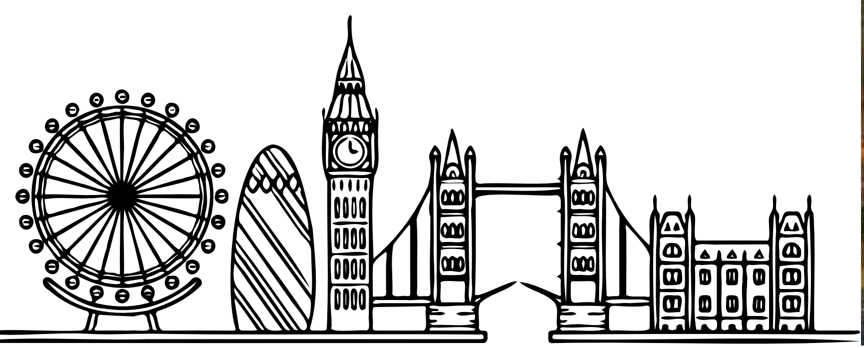
1. The UK government's policies play a crucial role. Keep an eye on tax changes, spending plans, and other actions that might affect businesses and individuals.
2. The government's decisions can shape economic growth, employment, and public services.

Interest Rates:

1. The Bank of England's Monetary Policy Committee (MPC) sets interest rates. As of March 2024, the Bank Rate stands at 5.25%, the highest level since 2008.
2. Policymakers are closely monitoring inflationary pressures. While some members advocate for rate cuts, others favor maintaining rates. The decision deviates from market expectations.
3. The repo rate applies to open market operations with counterparties (banks, building societies, securities firms).

Inflation:

1. In March 2024, the Consumer Prices Index including owner-occupiers' housing costs (CPIH) rose by 3.8% over the previous 12 months. This rate remained unchanged from February.
2. The Consumer Prices Index (CPI) rose by 3.2% during the same period, down from 3.4% in February.
3. Factors affecting inflation include food prices, energy costs, and housing expenses.
4. Remember that economic conditions are dynamic, and these stats may change over time. Monitoring these factors helps us understand the UK's economic landscape and its resilience in the face of challenges.



France

Budget Discussions:

1. France has been actively discussing its budget for 2025. The government aims to allocate resources efficiently while addressing various economic challenges.
2. The France Relance recovery plan has played a crucial role in supporting employment and economic recovery during the pandemic.
3. The proposed budget may impact public spending, investment, and social programs.

Impact of European Union Policies:

1. France, as an EU member state, is influenced by EU-wide regulations and economic conditions.
2. The EU has both contributed to French policies and impacted domestic politics. France has played a major role in EU development since the 1950s.
3. The EU's policies on trade, competition, and foreign relations can shape France's economic landscape.

Interest Rates:

1. The European Central Bank (ECB) sets key interest rates for the euro area. As of July 2022, France's unemployment rate has fallen to 7.5%, below pre-pandemic levels but still structurally high.
2. The ECB's fixed interest rate increased to 4.5% in December 2023, the highest since the global financial crisis in 2007-2008.
3. The ECB's decisions impact borrowing costs, investment, and overall economic activity.

Inflation and Cost of Living:

1. France's annual inflation rate eased to 2.2% in April 2024, down from 2.3% in March. It remains above forecasts of 2.1% but is the lowest reading since September 2021.
2. Price changes vary across sectors: food prices slowed, energy costs accelerated, and manufactured product costs fell.
3. The cost of living affects households and consumer confidence. Managing inflation is crucial for economic stability.

Labor Market:

1. France's labor market has shown resilience. The unemployment rate fell to 7.5% (July 2022), below pre-pandemic levels and one of the lowest since 2008.
2. The employment rate for those aged 15 and over reached 51.9%, a positive sign of recovery compared to pre-COVID-19 levels.
3. However, youth employment rates remain a challenge, and structural issues persist1.

Specific Sector News:

1. France's technology, tourism, and manufacturing sectors are essential for economic growth.
2. News related to technological advancements, tourism recovery, and industrial production would be relevant.

Italy:

Post-Pandemic Recovery:

1. Italy's economy faced significant challenges during the pandemic. However, it has been actively implementing its recovery and resilience plan.
2. The plan, approved by the Council, focuses on sustainability, resilience, and green and digital transitions.
3. Italy is the largest recipient of EU recovery funds, with a total value of €194.4 billion. These funds support reforms and investments across various sectors.
4. Notably, tourism accounts for 11.8% of Italy's GDP, with the country boasting 51 UNESCO World Heritage sites.

EU Relations and Funding:

1. Italy benefits from EU funds to promote economic, social, and territorial cohesion. It received €42.7 billion for the 2021-2027 period, with a focus on Southern regions.
2. The country plays a crucial role in utilizing the EU recovery fund, shaping European integration.

Political Climate:

1. Italy operates as a parliamentary republic with a multi-party system. It has experienced fragmentation and instability, leading to short-lived coalition governments.
2. Political decisions can significantly impact businesses and economic policies.

Major Industries:

1. Fashion and Luxury Goods: Italy is renowned for its high-quality fashion and luxury brands.
2. Automotive: Companies like Ferrari and Fiat contribute to Italy's automobile industry.
3. Tourism: Italy's rich cultural heritage attracts millions of visitors annually.
4. Energy: Italy's energy sector is evolving, with a focus on renewables and sustainability.

Inflation and Interest Rates:

1. Italy's annual inflation rate eased to 0.9% in April 2024, impacted by restrictive monetary policy from the ECB. Net inflation decelerated to 2.2%.
2. Interest rates play a crucial role in business costs and consumer spending.

Brazil:

Economic Indicators:

1. Brazil's inflation rate, GDP growth, and employment figures are essential indicators.
2. As of April 2024, Brazil's inflation rate is 8.20%, showing an increase from the previous year.

Government Policies:

1. Keep an eye on changes in taxation, regulations, and trade policies affecting Brazilian businesses.
2. Government decisions impact economic stability and investment climate.

Major Company Updates:

1. Mergers, acquisitions, expansions, and challenges faced by significant Brazilian corporations influence the business landscape.
2. Stay informed about developments in key sectors.

Agricultural Sector:

1. News related to crop harvests, commodity prices, and agricultural exports affects Brazil's economy.
2. Brazil is a major player in global agricultural markets.

Technology & Innovation:

1. Brazil's tech sector, startup scene, and investments in new technologies drive economic growth.
2. Monitor developments in areas like fintech, e-commerce, and digital infrastructure.

Canada

Budget Impacts:
- Canada's federal budget for 2024-2025 was tabled in April 2024. The budget aims to address various economic challenges and promote growth.

Key highlights include:
1. Housing: Measures to turbocharge home construction and protect renters, first-time buyers, and homeowners.
2. Fairness for Younger Generations: Increased student grants, youth mental health support, and job placement opportunities.
3. Economic Growth and Productivity: Investments in innovation, including AI, and a focus on affordability.

The deficit for 2023-24 is projected to be $40.0 billion, with forecasts of $39.8 billion for 2024-25 and $38.9 billion for 2025-26.

Interest Rate Changes:
1. The Bank of Canada influences short-term interest rates by adjusting the target for the overnight rate. As of April 2024, the policy interest rate stands at 5.00%.
2. Interest rate decisions impact borrowing costs, investment, and overall economic activity.

Energy Sector:
1. Canada's energy sector remains significant. The Trans Mountain Pipeline Project has ushered in a new era for oil sands.
2. Intrepid Metals' Corral copper project in Arizona has returned high grades.
3. The focus on clean energy and climate aligns with Canada's commitment to reducing emissions.

Mining Sector:
The mining industry plays a crucial role in Canada's economy. Recent developments include:
1. Lithium Hits: Patriot Battery Metals reported high-grade lithium hits.
2. Rare Earths: Ucore Rare Metals deemed Wicheeda rare earths suitable for commercial processing.
3. Gold Exploration: Thesis Gold's resource update at Lawyers-Ranch in B.C. increased tonnage4.

Technology Sector:
Canada's tech sector drives growth across the economy. Notable trends include:
1. Mergers and Acquisitions: Tech companies making acquisitions experience higher sales growth.
2. Cybersecurity: A focus on securing online contracts and data.
3. X-as-a-Service Model: Transitioning to delivering technology products as services over the Internet5.

CMA Sandeep Kumar
Editor-in-Chief
The Worldonomics Times

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www.incoc.in

INCOC

Head Office
Alankrit Society A 31, Plot A1,
Vishwas Nagar Delhi 110032

Tel: +91 11 69313774

Email Us
We'll respond to your inquiry as soon as possible.
info@incoc.in

Website
www.incoc.in

President
Shri Y P Bhola
Ex- Director Finance, NFL
ypbhola@incoc.in

Connect With Us
Ms Sakshi Begwani
support@incoc.in

International Navodaya Chamber of Commerce (INCOC)

Welcome to the International Navodaya Chamber of Commerce (INCOC), a dedicated catalyst for positive change, empowerment, and community development. We are committed to enhancing brand value, nurturing essential skills, and facilitating societal growth through a collaborative and community-centric approach.

Our Mission

At INCOC, our mission is to harness the collective potential of individuals and businesses to create a lasting impact. We believe in the power of collaboration, empowerment through knowledge, and a community-centric approach to address local needs and promote inclusivity. Our initiatives are designed to inspire actionable impact, foster continuous learning and adaptation, and contribute to building a brighter future.

How We Operate

- **Collaborative Synergy:** We thrive on collaboration, bringing together diverse minds, expertise, and resources to foster an environment where ideas flourish and innovation thrives.
- **Empowerment through Knowledge:** Knowledge is the cornerstone of growth. At INCOC, we provide access to valuable insights, expert advice, and resources that empower individuals and businesses to make informed decisions and drive positive change.
- **Community-Centric Approach:** Communities are at the heart of change. Our initiatives are designed to address local needs, promote inclusivity, and create a sense of belonging, tailoring our efforts to have a meaningful impact where it's needed most.
- **Actionable Impact:** Our programs inspire action and create tangible results, from skill development workshops to societal initiatives that drive positive change, focusing on making a real difference.
- **Continuous Learning and Adaptation:** We embrace continuous learning and adaptation to stay relevant in a rapidly changing landscape, ensuring that our strategies remain effective and aligned with the needs of the times.

Shri Atul Gupta Ji, Former President, The Institute of Chartered Accountants of India, Shri Sanjay Gupta Ji, Former President, The Institute of Cost Accountants of India, Shri Vijay Aggarwal Ji, GM Finance, ONGC Videsh, Shri Saurabh Srivastva Ji, CGM HSCC & Shri R C Gupta Ji from GAIL India

INCOC

Shri Sanjay Jindal Ji, Director Finance, Engineers India Limited, Shri Bimal Jain Ji, Indirect Tax Expert, Shri B K Sabharwal Ji, Former President, Commodity Participants of India (CPAI).

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MOMENT

RECAP 2024

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